



# PROSPECTUS

## The GO2 People Ltd

ACN 616 199 896

For an offer of up to 60,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$10,000,000 and a maximum of \$12,000,000 (**Offer**).

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### IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered speculative.



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# CORPORATE DIRECTORY

**Directors**

**Darren Cooper** Non-Executive Chairman  
**Abilio (Billy) Ferreira** Managing Director  
**Douglas Grewar** Non-Executive Director

**Joint Company Secretaries**

Matthew Thomson  
Peter Torre

**Proposed ASX Code**

GO2

**Solicitors to the Offer**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

**Lawyers for the Company\***

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2 Corporate Court  
Bundall, QLD 4217

**Lead Manager to the Offer**

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8-28 The Corso  
Manly, NSW 2095  
Corporate Authorised Representative of  
BR Securities Australia Pty Ltd  
AFSL 456663

**Share Registry\***

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
Telephone (Australia): 1300 850 505  
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**Registered Office**

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Belmont, WA 6104  
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**Investigating Accountant**

William Buck (Vic) Pty Ltd  
Level 20, 181 William Street  
Melbourne VIC 3000

**Auditors**

William Buck Audit (Vic) Pty Ltd  
Level 20, 181 William Street  
Melbourne VIC 3000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

# IMPORTANT NOTICE

This Prospectus is dated 1 August 2017 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

## **Exposure Period**

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

## **Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at Website: [www.thego2people.com.au](http://www.thego2people.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **Website**

No document or information included on our website is incorporated by reference into this Prospectus.

## **Forwarding-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

#### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

# CHAIRMAN'S LETTER

Dear Investor,

On behalf of the board of The GO2 People Ltd (**The GO2 People** or **Company**), I am pleased to introduce potential investors to the next phase of the Company's growth and development, and invite you to become a Shareholder of the Company.

The Company is seeking to raise up to \$12,000,000 (with a minimum of \$10,000,000) through the issue of up to 60,000,000 Shares at an issue price of \$0.20 per Share under the Offer. The purpose of the Offer is to provide funding to support the Company's strategic plan, which includes continuing to grow the labour hire division (including by expanding the Company's geographical presence into New South Wales, Victoria and New Zealand), further developing the building division, increasing revenues and profitability, reducing debt, and providing the Company with an increased profile as an ASX-listed company.

Since starting the labour hire business in 2011, the GO2 brand has grown strongly in Western Australia and Queensland. In 2014, upon recognising an opportunity and available business synergies, the founders created a building division alongside the GO2 Recruitment business to utilise the surplus skills and labour that were available to them. Having experienced a period of growth since 2011, and with the building division having entered the "rapid build" and "smart homes" building market, the Company is now seeking to obtain additional funding to continue to execute its strategic plan.

The Company's labour hire division has now established a strong foothold in the Western Australian and Queensland labour hire markets, contributing \$36.4 million in revenue to the Company's successful 2016 financial year of over \$38 million in revenue.

The Company's goals to date have been centred around market share and business growth. Whilst we recognise the need for continued growth in these areas, the next phase of the Company's development also involves a focus on increasing profit margins and a stronger financial base. The funds provided under this Offer will help accelerate and facilitate this focus.

The proposed business acquisitions (as described further in this Prospectus), signify important strategic additions to the Company. The proposed expansion of the building division will leverage off and utilise the labour hire division's key management skills, administration team and trained employees, along with their existing relationships with a number of key clients.

An investment in the Company involves a number of risks and must be considered speculative.

**The key risks associated with an investment in the Company are included in Section 6, and should be read and considered in detail.**

This Prospectus contains important information in relation to the Offer, including an overview of the Company, the historical financial results of the Company, an industry outline, key risks, management team and future plans of the Company. I encourage you to read this Prospectus carefully before making any investment decision, and to consult with your independent professional advisers in connection with the Offer.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder of The GO2 People, and we trust that this document interests you as much as our future plans excite us.

Yours sincerely



**Darren Cooper**  
Chairman, The GO2 People Limited



# KEY OFFER INFORMATION

## Key Dates - Indicative Timetable\*

<b>LODGEMENT OF PROSPECTUS WITH THE ASIC</b>	1 AUGUST 2017
<b>OPENING DATE OF THE OFFER</b>	15 AUGUST 2017
<b>CLOSING DATE</b>	8 SEPTEMBER 2017
<b>DESPATCH OF HOLDING STATEMENTS</b>	15 SEPTEMBER 2017
<b>EXPECTED DATE FOR QUOTATION ON THE ASX</b>	22 SEPTEMBER 2017

*\* The above dates are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.*

## Key Offer Details

	<b>MINIMUM SUBSCRIPTION</b>	<b>MAXIMUM SUBSCRIPTION</b>
<b>OFFER PRICE PER SHARE</b>	\$0.20	\$0.20
<b>SHARES TO BE ISSUED UNDER THE OFFER</b>	50,000,000	60,000,000
<b>TOTAL NUMBER OF SHARES ON ISSUE FOLLOWING THE OFFER AND ACQUISITIONS</b>	117,833,333	127,833,333
<b>GROSS PROCEEDS OF THE OFFER</b>	\$10,000,000	\$12,000,000

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# INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
<b>A. COMPANY</b>		
<b>Who is the issuer of this Prospectus?</b>	The GO2 People Ltd (ACN 616 199 896) ( <b>The GO2 People or the Company</b> ) (Proposed ASX: GO2).	
<b>Who is the Company?</b>	<p>The Company is a provider of integrated and complementary labour hire and building services to its clients throughout Australia.</p> <p>The Company was incorporated in 2016 to be the parent company of GO2 Recruitment and GO2 Australia, which together house the labour hire and building divisions.</p> <p>The labour hire division is presently the dominant business, with the emerging building division only contributing a very small proportion to the Company's total revenue.</p> <p>The Company is presently focussed on executing its strategic plan, which includes continuing to grow the labour hire division (expanding the Company's geographical presence into New South Wales, Victoria and New Zealand), further expanding the building division, increasing revenues and profitability, reducing debt, and providing the Company with an increased profile as an ASX-listed company.</p> <p><b>Labour Hire Division</b></p> <p>Presently the Company has two wholly owned subsidiaries operating in the labour hire division, GO2 Recruitment Pty Ltd, which is the trustee for The GO2 Recruitment Trust (of which the Company is the sole unitholder) (<b>GO2 Recruitment</b>) and The GO2 People Australia Pty Ltd (<b>GO2 Australia</b>) (<b>Labour Hire Division</b>).</p> <p>The Labour Hire Division is presently based in Western Australia and Queensland, and the Company is next planning to expand into New South Wales, Victoria and New Zealand.</p> <p>The Labour Hire Division specialises in the provision of temporary staffing solutions to the following sectors:</p> <ul style="list-style-type: none"> <li>• Major infrastructure</li> <li>• Mining/resources operations</li> <li>• Telecommunications</li> <li>• Transport/logistics</li> <li>• Building and construction</li> <li>• Electrical</li> <li>• Utilities/maintenance</li> </ul>	Section 3

ITEM	SUMMARY	FURTHER INFORMATION
	<p><b>Labour Hire Division cont.</b></p> <p>The Labour Hire Division's client base consists of reputable tier 1 and 2 construction and mining contractors, with whom the Company has a number of preferred supplier agreements.</p> <p>The Labour Hire Division has supplied labour to its clients on a number of recent major infrastructure projects in Western Australia, including Elizabeth Quay, Perth Stadium, Perth's Gateway project, Perth Children's Hospital, and the Kwinana and Mitchell Freeway extensions. It has also supplied labour to several major projects in Queensland, including the Gold Coast Light Rail, Toowoomba Second Range Crossing and Sunshine Coast University Hospital.</p> <p>With a number of major infrastructure project opportunities coming on stream Australia wide, the Company is seeking to gear itself financially and operationally to be able to offer labour hire services for these proposed projects.</p> <p>The Labour Hire Division accesses a database of 100,000 plus job candidates through its recruiters, and has created talent pools across most occupations which it utilises to meet clients' future workforce requirements.</p> <p>The established Labour Hire Division with its brand, experienced key management, business size, revenue, strategic locations, client base and with the proposed financial support is now well placed to have an impact on the labour hire industry.</p> <p><b>Building Division</b></p> <p>The building division started in 2014 as a small division within the GO2 Recruitment business (<b>Building Division</b>). It has since utilised key management's building industry knowledge, skills and networks, and the excess labour within the Labour Hire Division, to carry out small pilot building projects and to provide building services to the Labour Hire Division's clients. The Building Division initially focused on testing the opportunities in the "rapid build" market. "Rapid build" is an alternative building construction method which uses light weight pre-fabricated components in the construction process to significantly reduce build times (<b>Rapid Build</b>).</p> <p>To further develop the Building Division, the Company entered into agreements for the acquisition of GO2 Building Pty Ltd (<b>GO2 Building</b>) and Terra Firma Constructions Pty Ltd (<b>Terra Firma</b>) (the <b>Acquisitions</b>). Each of the Acquisitions will settle upon the Company receiving conditional approval from the ASX to be admitted to the Official List.</p> <p>Terra Firma is a multidisciplinary building and construction company offering a full range of building and construction services. Terra Firma specialises in construction (buildings, accommodation and workshops) in the mining, resources and government sectors and building (houses, units and villas) for the residential sector throughout Western Australia. Terra Firma began operations in Perth, Australia in early 2015 and has since taken on multiple projects throughout the state of Western Australia. Terra Firma's revenue for the financial year 2016 was \$1,918,267.</p>	Section 3

ITEM	SUMMARY	FURTHER INFORMATION
	<p>GO2 Building has been established as a registered builder and building management company. GO2 Building has the capability of locating land suitable for building Rapid Build affordable housing projects (particularly land which is suitable for 'Over 55' housing), negotiating and finalising the development arrangements, and helping design and manage the projects.</p> <p>GO2 Building was incorporated in Western Australia in late 2016. GO2 Building had no revenue to 30 April 2017. GO2 Building has recently entered into a memorandum of understanding with a group of property investors for the construction of Rapid Build homes, further details of which are contained in Section 3.6.1.</p> <p>The key terms of the agreements relating to the Acquisitions are summarised in Sections 9.2 and 9.3.</p>	Section 3

## B. BUSINESS MODEL

<p><b>What are the key business strategies of the Company?</b></p>	<p>Upon completion of the Offer, listing of the Company on the ASX, and settlement of the Acquisitions, the Company intends to focus its business activities on:</p> <ol style="list-style-type: none"> <li>1. expanding the Company's Labour Hire Division by utilising the additional working capital to fund the increase in employment costs and financing requirements that come with an increase in the number of labour hire employees retained;</li> <li>2. supporting the increased operations of the Labour Hire Division and Building Division and their growth and development by providing additional management, administration, sales and marketing support;</li> <li>3. expanding the Company's geographical presence into New South Wales, Victoria and New Zealand;</li> <li>4. utilising the expanded Building Division (which will include Terra Firma and GO2 Building) (<b>Expanded Building Division</b>), to continue to complement the Labour Hire Division, using any excess labour hire employees, key management, and administration staff to provide an increased service offering to existing and future clients, and to deliver potentially increased revenues and profit margins to the Company;</li> <li>5. delivering the Rapid Build methods, and the creation of "smart homes", which comprise home automation technologies to manage lighting, temperature, security and other "internet of things" devices within the home (<b>Smart Homes</b>), as the Company believes that new opportunities exist in this market sector; and</li> <li>6. continuing to explore opportunities available to diversify its service offering, while still leveraging off the Company's skill sets and ever-increasing business networks.</li> </ol>	Section 3.3
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ITEM	SUMMARY	FURTHER INFORMATION
<b>How will the Company generate income?</b>	<p>The Company's Labour Hire Division, which has a number of preferred supplier agreements, will generate the majority of the Company's revenue, with the revenue from the Expanded Building Division beginning to grow as construction on building projects commences.</p> <p>On completion of the Acquisitions and the Offer, the Company will aim to generate revenue through provision of the following services:</p> <ul style="list-style-type: none"> <li>• temporary staffing solutions (labour hire) for clients throughout Western Australia and Queensland and added geographical locations, predominantly in the construction and mining industries;</li> <li>• construction of homes and buildings for clients via direct investment, joint ventures and strategic partnerships; and</li> <li>• construction of onsite facilities (accommodation, administration and services buildings) at remote Australian mine sites.</li> </ul> <p>Refer to Sections 3.5.1 and 3.6.1 for a detailed explanation of how the Company proposes to generate revenue from these activities.</p> <p>While the Company believes there is significant opportunity to generate revenue from the Expanded Building Division, at present, the revenue generated by the Expanded Building Division is limited.</p> <p>In the financial year 2016, 95% of the aggregate revenue for the operating entities GO2 Recruitment and Terra Firma (<b>Combined Group</b>) came from GO2 Recruitment and the remaining 5% came from Terra Firma. Refer to Section E below, and Section 7.1.2 for further information.</p>	Section 3.3, 3.5.1 and 3.6.1
<b>Who are The GO2 People's major clients?</b>	<p>The Labour Hire Division's major clients are predominantly large tier 1 and 2 construction and mining services contractors and operators, with whom the Company has a number of preferred supplier agreements. Refer to Section 3.5 for further information.</p> <p>The Expanded Building Division's main clients will predominantly be comprised of Western Australian based land developers, builders and contractors, and resource and mining operators. Refer to Section 3.6.1 and 3.6.4 for further information.</p>	Section 3.5
<b>Who are The GO2 People's major competitors?</b>	<p>The Company's major competitors to the Labour Hire Division include Programmed, Workforce International, Workpac, Protech, AWX and Final Trim Operators.</p> <p>The Building Division's major competitors are the builders specialising in the rapid, light weight and prefabricated building sector, other smaller traditional builders of affordable homes, and the mining contractors specialising in accommodation and mine site buildings.</p>	Section 3

ITEM	SUMMARY	FURTHER INFORMATION
<b>What are the key dependencies of the Company's business model?</b>	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> <li>• obtaining sufficient working capital to support and fund short term cashflow needs and fund the growth opportunities;</li> <li>• maintaining the Company's present client base and continuing the preferred supplier status with clients, whilst also increasing the number of clients;</li> <li>• the ability of the Company to win labour hire contracts on any of the proposed major infrastructure projects that are commencing;</li> <li>• the successful geographical expansion of the Company to New South Wales, Victoria and New Zealand;</li> <li>• the successful synchronisation and integration of the complementary Labour Hire Division and Expanded Building Division;</li> <li>• the completion of the acquisitions of Terra Firma and GO2 Building;</li> <li>• the successful development and commercialisation of the Rapid Build methods and the Smart Homes and buildings;</li> <li>• the successful sales and marketing of the Rapid Build, innovated Smart Homes to the 'Over 55' market for sale or rent;</li> <li>• attracting continuous and new construction contracts from resources and mining companies; and</li> <li>• attracting and maintaining key management personnel.</li> </ul>	Section 3

### C. KEY INVESTMENT HIGHLIGHTS AND KEY RISKS

<b>What are the key investment highlights?</b>	<p>The Directors are of the view that the Company's key investment highlights are as follows:</p> <ul style="list-style-type: none"> <li>• continued development of the GO2 brand;</li> <li>• development of the Company's integrated business model which leverages off the business synergies;</li> <li>• building on an existing revenue base which can help underpin the Company's growth objectives;</li> <li>• the provision of sufficient working capital will enable the Company to continue expanding in the labour hire industry and diversify its services into other sustainable sectors;</li> <li>• long-standing relationships with established clients in the Labour Hire Division;</li> <li>• expertise in providing labour hire solutions;</li> <li>• the Expanded Building Division's experience and track record in delivering building solutions in the Rapid Build and Smart Homes and buildings sectors to date; and</li> <li>• aligned directors, officers and management with significant experience in the labour hire and building industries.</li> </ul>	Section 3
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ITEM	SUMMARY	FURTHER INFORMATION
<b>What are the key risks of an investment in the Company?</b>	<p>There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, revenue growth, growth prospects and share price. The following is a summary of the specific key risks that the Company is exposed to. Further details about these and other general risks associated with an investment in the Company are set out in Section 6.</p> <p><b>Workers health and safety (major workers claims)</b></p> <p>The Company is subject to the laws, regulations and rules relating to workers' health and safety (<b>WHS</b>). Any major incident that may cause a death, injury or mental related illness may cause a major disruption to the Labour Hire Division, and could create a major financial claim against the Company.</p> <p>Due to the nature of the Labour Hire Division, the Company has less control over the management of WHS risks, and therefore has greater exposure to the risk of a WHS incident. The Expanded Building Division increases the risk of a WHS incident as the building and construction industry is considered to have one of the highest level of WHS employment risks.</p> <p>To mitigate this risk, the Company has in place workplace policies to manage risks arising from workplace hazards, including consultation and communication with workers, due diligence and risk checking/monitoring on all clients, and comprehensive insurance.</p> <p><b>Reliance on major clients (financial failure)</b></p> <p>A large percentage of the Company's revenue is derived from its top 10 clients. If a major client has a financial failure and has a sizeable outstanding debt to the Company which ultimately becomes a bad debt, this may cause financial stress on the Company. The Company mitigates the risk through debtor insurance, debtor management and debtor limits.</p> <p>There is also a risk to the sales of the business if any one, or a number of these top clients ceases to use the Company's services or significantly reduces the amount of labour hire required. To mitigate this risk, the Company has continued to increase its client base in Australia to reduce the effects of the loss of revenue from any existing clients.</p> <p><b>Building/construction industry volatility risk</b></p> <p>The Labour Hire Division and Expanded Building Division are highly dependent on the activities of the construction and building industry in Australia. The industry can be cyclical and sometimes volatile, and is highly sensitive to a broad range of economic and other factors that may be beyond the Company's control.</p>	Section 6

ITEM	SUMMARY	FURTHER INFORMATION
	<p>Factors such as general economic and market conditions, housing demand from population growth, demographic trends, commercial leasing market conditions and commercial and industrial site vacancy levels, present and future governmental infrastructure investments, general housing prices, housing interest rates, inflation/deflation, government and/or Reserve Bank lending policies in relation to residential housing construction, land releases, energy and environment requirements and regulations, income tax rates, employment levels, jobs growth, personal income levels, consumer spending, business and consumer confidence including homebuyers, commercial property developers and investors.</p> <p>The Company is seeking to mitigate some of this risk by exploring additional revenue stream opportunities, both within the building and construction industry as well as other industries.</p> <p><b>Industrial relations risk (change in government employment rules)</b></p> <p>The Company's main business of labour hire may be significantly affected by any adverse changes to industrial relations laws, regulations and rules. Any increase to employee costs may reduce an already competitive operating margin within the labour hire industry, and may cause clients to reduce their labour hire requirements.</p> <p>The Company may also be subject to industrial action and disputes from trade unions, which may cause disruption to the Company's operations, and may harm the Company's reputation and adversely impact financial performance.</p> <p>The Company has an advisory board that will advise on any changes in industrial relations, assist in the management of such changes, and also advise on union and human relations matters.</p> <p><b>Additional requirements for working capital (cashflow risk)</b></p> <p>As the main business of the Company is labour hire, it will be required to pay labour costs such as payroll, employee tax – PAYG, superannuation, insurance and financing costs prior to receiving payment for those services from clients (which can take in excess of 30 days).</p> <p>Depending on the ability of the Company to generate income from its operations, and the timing of cash receipts and payments due, the Company may require further financing and working capital in addition to amounts raised under the Offer, including bank overdrafts, debtors factoring/financing and further capital raisings. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing, working capital and operating activities.</p> <p>If the Company is unable to obtain additional financing and working capital as needed, it may be required to reduce the scope of its operations and may experience cashflow tightness.</p> <p>The Company has instigated strict cash flow management procedures, and employed an experienced and dedicated financial management team.</p>	Section 5

ITEM	SUMMARY	FURTHER INFORMATION
<b>D. DIRECTORS AND KEY MANAGEMENT PERSONNEL</b>		
<b>Who are the Directors?</b>	<p>The Board comprises:</p> <ul style="list-style-type: none"><li>• <b>Mr Darren Cooper</b> (Independent Non-Executive Chairman)</li><li>• <b>Mr Abilio (Billy) Ferreira</b> (Managing Director)</li><li>• <b>Mr Doug Grewar</b> (Non-Executive Director)</li></ul> <p>The profiles of each of the Directors are set out in Section 8.1. Details of the personal interests of each of the above individuals are set out in Section 8.2.</p>	Section 8.1
<b>Who are the senior management of the Company?</b>	<p>Senior management of the Company comprises the following:</p> <ul style="list-style-type: none"><li>• <b>Mr Paul Goldfinch</b> (Head of Investor Relations and Growth);</li><li>• <b>Mr Ross Lovell</b> (Head of Labour Hire);</li><li>• <b>Mr Christopher Streat</b> (Head of Building);</li><li>• <b>Mr Matthew Thomson</b> (Chief Financial Officer and Joint Company Secretary); and</li><li>• <b>Mr Peter Torre</b> (Joint Company Secretary).</li></ul> <p>The profiles of each of these senior managers are set out in Section 8.1.</p>	Section 8.1
<b>What are the related party interest of the Directors?</b>	<p>For each of the Directors, the proposed annual fixed remuneration for the financial year following the Company being admitted to the Official List, together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in Section 8.2.</p> <p>Any material contracts entered into with any of the Directors are set out in Section 9.</p>	Section 8.2 and 9



ITEM	SUMMARY	FURTHER INFORMATION																																
E. FINANCIAL INFORMATION																																		
What is the basis of Preparation of financial information?	<p>The acquisition of GO2 Recruitment, GO2 Australia, Terra Firma and GO2 Building by the Company constitutes a common control transaction. The accounting treatment, and basis of preparation of the historical financial information is outlined in Section 7, and should be read in conjunction with the Investigating Accountant's Report in that Section 7.</p> <p>The summary of the combined historical financial performance of the Combined Group included in this Prospectus is intended to present potential investors with information to assist them in understanding the financial performance of The Combined Group. The historical information of GO2 Building and GO2 Australia has not been presented in the historical financial information as there were no trading operations prior to 30 April 2017.</p>	Section 7																																
What is the pro-forma historical financial information?	<p>The pro-forma historical financial information has been derived from the reviewed combined historical statement of financial position as at 30 April 2017 and adjusted for the effects of the pro-forma adjustments, to reflect the Combined Group's capital structure, which will be in place following listing, as set out in Section 7.1.3.</p> <p>The pro-forma historical financial information is set out in the financial information section and referred to in the Investigating Accountant's Report in Section 7 of this Prospectus.</p> <p>Due to its nature, the pro-forma historical financial information does not represent The GO2 People's actual or prospective financial position.</p>	Section 7																																
What is the Historical Financial Performance of the Combined Group for 2015, 2016 and up to April 2017?	<p>Below is the historical financial performance of the Combined Group.</p> <p>GO2 Building and GO2 Australia have not been presented in this summary of combined historical financial performance as they were not trading prior to 30 April 2017.</p> <p><b>SUMMARY OF THE COMBINED HISTORICAL FINANCIAL PERFORMANCE</b></p> <table><tr><th></th><th>APRIL 2017 \$000</th><th>FY 2016 \$000</th><th>FY 2015 \$000</th></tr><tr><td><b>REVENUE</b></td><td>27,840</td><td>38,315</td><td>20,815</td></tr><tr><td><b>GROSS PROFIT</b></td><td>3,195</td><td>5,215</td><td>2,811</td></tr><tr><td><i>Gross Profit Margin</i></td><td>11.5%</td><td>13.6%</td><td>13.5%</td></tr><tr><td><b>EBITDA*</b></td><td>539</td><td>2,207</td><td>815</td></tr><tr><td><i>EBITDA Margin</i></td><td>1.9%</td><td>5.8%</td><td>3.9%</td></tr><tr><td><b>NPAT</b></td><td>(422)</td><td>1,153</td><td>(486)</td></tr><tr><td><i>NPAT Margin</i></td><td>(1.5%)</td><td>3%</td><td>(2.3%)</td></tr></table> <p>*Note: Excludes Impairment Loss</p>		APRIL 2017 \$000	FY 2016 \$000	FY 2015 \$000	<b>REVENUE</b>	27,840	38,315	20,815	<b>GROSS PROFIT</b>	3,195	5,215	2,811	<i>Gross Profit Margin</i>	11.5%	13.6%	13.5%	<b>EBITDA*</b>	539	2,207	815	<i>EBITDA Margin</i>	1.9%	5.8%	3.9%	<b>NPAT</b>	(422)	1,153	(486)	<i>NPAT Margin</i>	(1.5%)	3%	(2.3%)	Section 7
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ITEM	SUMMARY	FURTHER INFORMATION
<b>What is the key financial information for the Company?</b>	Refer to the financial information and the Investigating Accountant's Report in Section 7 for an outline and discussion in respect of the key financial information of the Combined Group. Investors should note that past performance is not a guide to future performance.	Section 7
<b>Does the Company have sufficient funds for its activities?</b>	<p>The funding for the Company's short to medium term activities will be generated from a combination of the money raised under the Offer, cash receipts presently being generated and existing cash reserves of the GO2 Group. Refer to Section 6 which provides a summary of the financial risks.</p> <p>On completion of the Minimum Subscription under the Offer (as defined below), the Board believes the Company will have sufficient working capital to achieve its planned expansion and growth objectives.</p>	Section 6 and 7

## F. KEY OFFER INFORMATION

<b>What is being offered and what is the purpose of the Offer?</b>	<p>The Offer is an offer of a minimum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise \$10,000,000 (<b>Minimum Subscription</b>) and a maximum of 60,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$12,000,000 (before costs) (<b>Maximum Subscription</b>).</p> <p>The purpose of the Offer is to provide adequate funding to the Company to support its strategic plan, which includes:</p> <ul style="list-style-type: none"> <li>• continuing to grow the Labour Hire Division;</li> <li>• development of the Expanded Building Division in the Rapid Build and Smart Home sector;</li> <li>• creation of a stronger financial position to allow future growth and the ability to increase the number of labour hire employees if and when required as increased labour hire contracts are awarded;</li> <li>• a reduction in the net debt position of the Company; and</li> <li>• to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules, to aim to provide the Company with an increased profile as an ASX listed Company.</li> </ul> <p>Refer to Section 2.5 for more details on the use of funds raised under the Offer.</p> <p>The Offer is open to retail investors and sophisticated investors in Australia.</p>	Section 2
<b>Is the Offer underwritten?</b>	The Offer is not underwritten.	Section 2.4

ITEM	SUMMARY	FURTHER INFORMATION															
<b>What will the Company's capital structure look like after completion of the Offer and the Acquisitions?</b>	<p>The Company's capital structure upon achieving Official Quotation on the ASX will be as follows:</p> <table> <tr> <th></th><th>SHARES</th><th>OPTIONS</th></tr> <tr> <td>Currently on issue</td><td>62,333,333</td><td>15,000,000</td></tr> <tr> <td>To be issued pursuant to the Offer<sup>1</sup></td><td>60,000,000</td><td>Nil</td></tr> <tr> <td>To be issued pursuant to the Acquisitions<sup>2</sup></td><td>5,500,000</td><td>Nil</td></tr> <tr> <td><b>Total</b></td><td><b>127,833,333</b></td><td><b>15,000,000</b></td></tr> </table> <p>1. Assuming a Maximum Subscription under the Offer. In the event that the Minimum Subscription under the Offer is raised, the Company will have 117,833,333 Shares on issue upon achieving Official Quotation.</p> <p>2. Being 3,000,000 Shares to be issued to the GO2 Building Vendors and 2,500,000 Shares to be issued to the Terra Firma Vendor. Refer to Sections 9.2 and 9.3 for details of the consideration to be provided under the GO2 Building Agreement and the Terra Firma Agreement.</p> <p>Refer to Section 3.8 of this Prospectus for further details.</p>		SHARES	OPTIONS	Currently on issue	62,333,333	15,000,000	To be issued pursuant to the Offer <sup>1</sup>	60,000,000	Nil	To be issued pursuant to the Acquisitions <sup>2</sup>	5,500,000	Nil	<b>Total</b>	<b>127,833,333</b>	<b>15,000,000</b>	Section 3.8
	SHARES	OPTIONS															
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<b>Total</b>	<b>127,833,333</b>	<b>15,000,000</b>															
<b>Will I be guaranteed a minimum allocation under the Offer?</b>	No, the Company is not in a position to guarantee a minimum allocation of Shares under the Offer.	Section 2.8															
<b>What are the terms of the Shares offered under the Offer?</b>	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 10.2.	Section 10.2															

ITEM	SUMMARY	FURTHER INFORMATION
<b>Will any securities be subject to escrow?</b>	<p>Subject to the Company complying with the ASX Listing Rules and completing the Offer, certain securities (including those issued pursuant to the Acquisitions) on issue may be classified by the ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company) at the time of listing, will, in compliance with ASX Listing Rule 1.1 Condition 7, be not less than 20%.</p>	Section 3.10
<b>Will Shares be quoted?</b>	The Company will make an application to the ASX for quotation of all Shares to be issued under the Offer.	Section 2.7
<b>What are the key dates of the Offers?</b>	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information Section
<b>What is the minimum investment size under the Offer?</b>	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$200 worth of Shares (1,000 Shares).	Section 2.6
<b>Is the Offer conditional?</b>	<p>The Offer is conditional on the Company receiving applications for the Minimum Subscription.</p> <p>If the Minimum Subscription is not raised, the Company will not issue any Shares under the Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.</p>	Section 2.2

## G. USE OF PROCEEDS

<b>How will the proceeds of the Offer be used?</b>	<p>Following completion of the Offer, the Company plans to use the proceeds from the Offer to provide the capital for the Company to expand the Labour Hire Division and take advantage of opportunities for the Expanded Building Division.</p> <p>A detailed breakdown of the intended application of funds raised under the Offer is set out in the table in Section 2.5.</p>	Sections 2.5
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ITEM	SUMMARY	FURTHER INFORMATION
<b>H. ADDITIONAL INFORMATION</b>		
<b>Is there any brokerage, commission or duty payable by applicants?</b>	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.	
<b>What are the tax implications of investing in Shares?</b>	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 2.10
<b>Where can I find more information?</b>	<ul style="list-style-type: none"><li>• By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</li><li>• By contacting the Company's Head of Investor Relations, Mr Paul Goldfinch, on + 61 (08) 6151 9200.</li><li>• By contacting the Share Registry on 1300 850 505 (Australia) or +61 (03) 9415 4000 (Overseas).</li></ul>	



2



# DETAILS OF THE OFFERS

## 2.1 The Offers

Pursuant to this Prospectus, the Company invites applications for a minimum of 50,000,000 Shares and a maximum of 60,000,000 Shares at an issue price of \$0.20 per Share, to raise up to \$12,000,000 (**Offer**).

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Details of the rights and liabilities attaching to the Shares are set out in Section 10.2.

## 2.2 Minimum subscription

If the Minimum Subscription to the Offer of \$10,000,000 has not been raised within four months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

## 2.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

## 2.4 Not underwritten

The Offer is not underwritten.

## 2.5 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List as follows:

<b>Funds available</b>	<b>Minimum Subscription \$10,000,000</b>	<b>Percentage of Funds (%)</b>	<b>Maximum Subscription \$12,000,000</b>	<b>Percentage of Funds (%)</b>
	<b>\$</b>		<b>\$</b>	
Existing cash of the Company as at 30 April 2017 <sup>1</sup>	590,000	5%	590,000	5%
Seed Raising	500,000	5%	500,000	4%
Funds raised from the Offer	10,000,000	90%	12,000,000	91%
<b>TOTAL</b>	<b>11,090,000</b>	<b>100%</b>	<b>13,090,000</b>	<b>100%</b>

<b>Allocation of funds</b>	<b>\$</b>	<b>Percentage of Funds (%)</b>	<b>\$</b>	<b>Percentage of Funds (%)</b>
Expenses associated with the Offer <sup>2</sup>	1,000,000	9%	1,200,000	9%
Reduction in ATO Debt <sup>3</sup>	3,843,414	35%	3,843,414	29%
<b>Fund Labour Hire Division growth<sup>4</sup></b>				
Sales and Marketing	500,000	5%	750,000	6%
Business Development	750,000	7%	1,000,000	7%
Administration <sup>5</sup>	500,000	4%	500,000	4%
<b>Fund Building Division growth</b>				
Sales and Marketing	150,000	1%	300,000	2%
Plant and Equipment	500,000	4%	750,000	6%
Building Materials	250,000	2%	600,000	5%
Building Costs <sup>6</sup>	500,000	4%	500,000	4%
Settlement – Terra Firma Agreement <sup>7</sup>	150,000	1%	150,000	1%
Expansion of offices – NSW, VIC, NZ	200,000	2%	750,000	6%
Balance of working capital – labour hire <sup>8</sup>	2,246,586	21%	2,246,586	17%
Balance of working capital – building	500,000	5%	500,000	4%
<b>TOTAL</b>	<b>11,090,000</b>	<b>100%</b>	<b>13,090,000</b>	<b>100%</b>

1 Refer to the Financial Information Section set out in Section 7 of this Prospectus for further details.

2 Refer to Section 10.8 of this Prospectus for further details.

3 The Company has an agreed payment plan with the ATO to repay its outstanding amount of \$3.8 million by 31 December 2017. Should the Offer be successfully completed, the Company will accelerate the repayment of the required outstanding amount due under the payment plan.

4 The Company will use these funds to grow the Labour Hire Division, by investing in business development, increasing senior recruitment and administration staff and increasing sales and marketing.

5 Comprising non-executive director fees, a portion of executive director remuneration (the balance of which has been allocated in the relevant divisions), corporate advisory fees and audit costs.

6 The Company plans to use these funds towards projects under the Resi Memorandum of Understanding, which is summarised at Section 9.10.

7 Refer to Section 9.3 for further details of the Terra Firma Agreement.

8 The Company requires substantial working capital to fund the payment of labour hire wages, which are paid prior to the receipt of payment for those wages from the client.

In the event the Company raises more than the Minimum Subscription of \$10,000,000, the additional funds raised will, after any additional Offer expenses, be first applied towards expansion of offices, followed by business growth for the Labour Hire Division and Building Division. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## 2.6 Applications

Applications for Shares under the Offer must be made using the Application Form.

Applications for Shares under the Offer must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to “**The Go2 People Limited**” and crossed “Not Negotiable”, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date.

The Company reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on **1300 850 505**.

## 2.7 ASX listing

Application for Official Quotation by the ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by the ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that the ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## 2.8 Issue

Subject to the Minimum Subscription to the Offer being reached and the ASX granting conditional approval for the Company to be admitted to the Official List, issue of the Shares offered by this Prospectus will take place as soon as practicable after the relevant Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

## 2.9 Applicants Outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

## 2.10 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

## 2.11 Lead Manager

JB Advisory Pty Ltd (ACN 128 893 247) (corporate authorised representative of BR Securities Australia Pty Ltd (AFSL 456663)) (**JB Advisory**) has been appointed as lead manager to the Offer. The terms of the lead manager mandate with JB Advisory are summarised in Section 9.4.

## 2.12 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.



3



# COMPANY

## 3.1 History and Background

Founded in 2011 by Billy Ferreira and Paul Goldfinch (**Founders**), the business of The GO2 People began its existence as a recruitment and labour hire business (in the entity GO2 Recruitment), based in Western Australia, specialising in the provision of temporary staffing solutions to the construction and mining industries.

To maximise the growth potential of the business, the Founders determined that additional but related and complementary sources of higher profit margin revenue should be added to the business, and concurrently, a conscious decision was made to continually invest in the GO2 Recruitment business.

Given that GO2 Recruitment's labour hire clients already had a strong foothold in the commercial construction sector, diversification into residential construction was considered to be the most opportune sector. The Founders also saw value in operating internal projects that could utilise the Labour Hire Division's quality labour hire candidates in the periods that they were not required for external projects.

Since GO2 Recruitment opened its doors in Perth, Western Australia in 2011 as a start-up business with no brand presence, the GO2 brand and reputation has grown quickly. In 2014, after identifying the need to diversify into complementary businesses and capitalise on the skill sets within the business, the Building Division was established within GO2 Recruitment, with the principal aim to create integration and synergies between the Labour Hire Division and a building division.

During this period, the Founders worked with the Terra Firma owners on small building and construction projects, where GO2 Recruitment provided the labour.

In 2015, the Building Division, in partnership with Terra Firma, focused on developing alternative construction methods, including the Rapid Build method outlined in Section 3.6, which would allow them to complete residential dwellings faster and more affordably than with usual construction methods, without compromising quality.

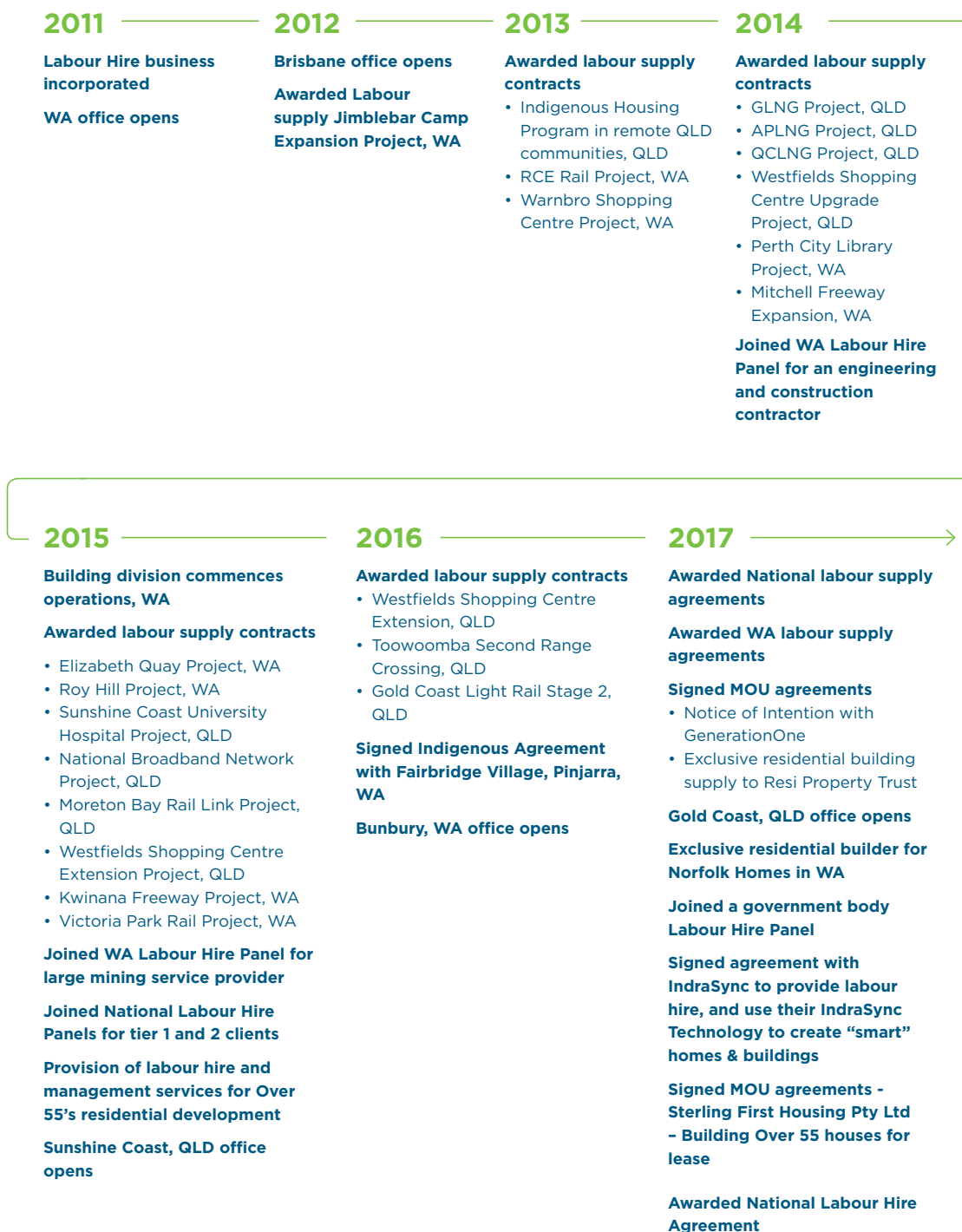
In late 2016, the Building Division teamed up with GO2 Building and started seeking out projects, with emphasis on the 'Over 55's' independent living sector. The Company then began negotiations to acquire both Terra Firma and GO2 Building to become the Expanded Building Division, the agreements for which are due to settle upon the Company receiving conditional approval from the ASX to be admitted to the Official List.

Today, the Company, Terra Firma and GO2 Building are a provider of complementary integrated recruitment and building services. Currently operating in Western Australia and Queensland, the Company also intends to grow its geographical presence into New South Wales, Victoria and New Zealand.

Since making its decision to list on the ASX, the Company has invested funds and resources into preparation for an ASX listing and the Company's strategic planning for the future. In the past 12 months, the Company has employed a Head of Labour Hire, a Chief Financial Officer and joint company secretary to join the Senior Management Team, and Recruitment State Managers have been added to both the Queensland and Western Australian operations. In addition, the Company has upgraded its operating and financial systems and opened two new offices in strategic locations, being the Gold Coast, Queensland and Bunbury, Western Australia.

The Company currently operates in 5 locations throughout Queensland and Western Australia. Each office is strategically located for the Company to service its clients in a timely and effective manner and to pursue new business opportunities in line with the Company's strategic plan. The Head Office is located in Perth.

## 3.2 Timeline of Actual and Proposed Events



### 3.3 Business Revenue Model

The GO2 People presently generates most of its revenue from the Labour Hire Division, with the revenue from the Expanded Building Division beginning to grow as construction on building projects commences.

On completion of the Acquisitions and the Offer, the Company will aim to generate revenue through provision of the following services:

- temporary staffing solutions (labour hire) for clients throughout Western Australia and Queensland and added geographical locations, predominantly in the construction and mining industries;
- construction of homes and buildings for clients via direct investment, joint ventures and strategic partnerships; and
- construction of onsite facilities (accommodation, administration and services buildings) at remote Australian mine sites.

Refer to Sections 3.5.1 and 3.6.1 for a detailed explanation of how the Company proposes to generate revenue from these activities.

### 3.4 Group Structure

#### 3.4.1 Current

The Company was incorporated on 30 November 2016 to be the parent company of GO2 Recruitment and GO2 Australia, which incorporates the Labour Hire Division and current Building Division of the Company.

GO2 Recruitment Pty Ltd, is the trustee for 'The GO2 Recruitment Trust' which is presently operating the Labour Hire Division. The Company owns 100% of the units issued in The GO2 Recruitment Trust. The Company acquired the units in The GO2 Recruitment Trust on 28 April 2017, in exchange for 15,000,000 Shares, and subsequently acquired 100% of the issued capital in GO2 Recruitment Pty Ltd in June 2017. The vendors under these transactions were the Founders, and entities related to or controlled by the Founders.

GO2 Australia is a labour hire contractor, which, where possible and appropriate, will take over the management and operations of the Company's labour hire and recruitment business. The Company acquired 100% of the issued capital in GO2 Australia in June 2017, for consideration of 34,000,000 Shares. The vendors under this transaction included employees of GO2 Recruitment Pty Ltd and entities related to the Founders.

#### 3.4.2 Proposed Acquisitions

The Company has entered into agreements to acquire 100% of the issued capital of Terra Firma and GO2 Building. These Acquisitions will settle upon the Company receiving conditional approval from the ASX to be admitted to the Official List, on conditions deemed acceptable to the Company.

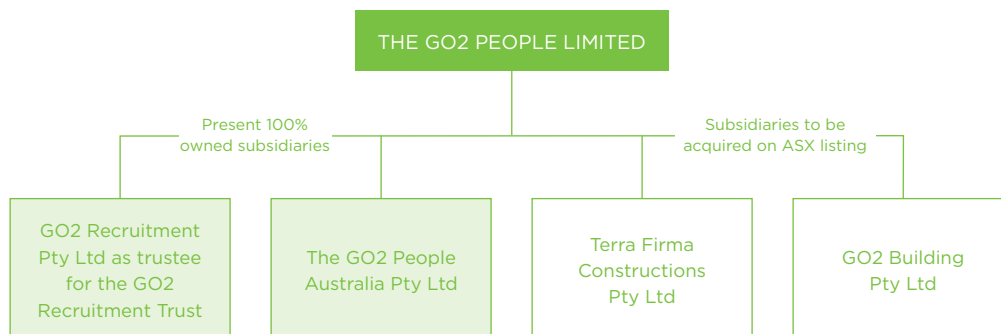
Terra Firma is a building and construction company, set up by Christopher Streat, which has operated in the residential home building and mining facilities construction sectors. Terra Firma is aiming to specialise in Rapid Build construction, building of 'Over 55' smart dwellings, and construction of buildings onsite for the mining and resources sector.

GO2 Building holds a registered builder's licence and is intended to be the building management company of the Company upon acquisition. GO2 Building designs and manages projects to build and construct affordable houses in specifically defined housing sectors such as 'Over 55's', aged care/assisted living and the first home buyer market. GO2 Building promotes the Rapid Build method and Smart Homes to its network and clients. It is currently in negotiation with a number of land owners and developers to use the Rapid Build and Smart Homes concept.

GO2 Building is complementary to Terra Firma, with GO2 Building providing the building management and administration, and Terra Firma providing the building contracting and construction. The Labour Hire Division will provide labour to GO2 Building and Terra Firma.

A summary of the agreements regarding the Acquisitions are set out in Sections 9.2 and 9.3.

A diagram of the organisational structure of the Company at present, and on completion of the Acquisitions, is set out below.



### 3.5 Labour Hire Division

The Labour Hire Division has been established to provide tailored staffing solutions to a range of industries. The client base of the Labour Hire Division includes a number of national and multinational organisations, and the Company has been involved in providing labour for a number of Australia's recent major infrastructure projects across the construction, mining and resources sectors. With a focus on a client base that is diversified, the Labour Hire Division predominantly provides services to businesses in the following sectors:

- Major infrastructure;
- Construction;
- Mining/Resources Operations;
- Electrical;
- Telecommunications;
- Utilities/Maintenance; and
- Transport/Logistics.

The Labour Hire Division's experienced management and recruitment staff are trained to take a proactive approach to securing the best possible talent in the labour market to provide the most suitable labour hire services to its clients. The Company has access to a database of 100,000 plus job candidates through its experienced recruiters, who have created sought after talent pools across various disciplines, which allows it to respond quickly to a client's labour hire needs.

The Labour Hire Division employs recruitment personnel who are experienced in its clients' industries, with a practical background that can deliver a client's required labour outcomes and solutions, as a point of difference to most sales based labour hire businesses within the industry.

The Building Division uses a number of the Labour Hire Division's employees when they are not on contract to Labour Hire Division clients. This allows the Labour Hire Division to maintain the best workforce available for its client's future needs.

The Labour Hire Division is continuing to seek, tender and bid for labour hire contracts with its present clients, prospective new clients, and on many of the proposed major infrastructure projects as they commence.

### 3.5.1 Revenue From Labour Hire

The Labour Hire Division generates the majority of the Company's revenue from the provision of labour hire services to its clients. The Labour Hire Division will continue to bid for further labour hire services contracts, and currently has a number of preferred supplier agreements that can be leveraged off to help to continue to drive revenue.

The Company employs a number of employees on a casual basis, and has access to a large pool of additional prospective employees, who are contracted by the Company as casual employees on an as-needs basis. The Company supplies these employees to clients on a cost-plus basis, with a pre-agreed margin. The receipt by the Company of payment of the cost of the employee, plus the pre-agreed margin, provides the Company's main revenue stream.

The amount of revenue generated from each client project is dependent on the number of employees requested by the client, and the length of the project. For individual projects, contracts to date have ranged from one day, up to 24 months, and clients have requested from as little as one employee, up to 120 plus employees.

As detailed in Section 9.1, the Company has preferred supplier agreements with clients which in some cases span over a number of projects with that client, and have ranged in term from 12 to 24 months.

Utilising the Labour Hire Division's sales and marketing team, networks and experience in the labour hire industry, the Company proposes to tender for, and bid on suitable labour hire services contracts that may become available from the major infrastructure projects that are proposed to commence in Western Australia and Queensland. The sales and marketing team will also consider other potential labour hire services opportunities that may arise in additional market sectors.

The Board believes that key management, administration and relationship managers will be instrumental in retaining existing clients, and the maintenance of existing labour hire contracts.



### 3.5.2 Recent Projects

<b>Elizabeth Quay – Perth, WA</b>	Provision of civil operators, general labour, landscaping and electrical trades for Paving, Landscaping and Earthmoving packages. On-site Training Provided – General safety and injury prevention courses.
<b>Perth Childrens Hospital – Perth, WA</b>	Commercial construction trades and general labour provided for Fit Out packages, On-site Training Provided – General safety and injury prevention courses.
<b>Kings Square – Perth, WA</b>	Commercial construction trades and general labour provided for Fit Out packages, On-site Training Provided – General safety and injury prevention courses.
<b>Kwinana &amp; Mitchell Freeway Expansions – Perth, WA</b>	Provision of skilled civil operators and general labour for earthworks packages.
<b>Roy Hill Mine – Pilbara, WA</b>	Provision of skilled and technical and electric trades. Client inductions delivered by GO2 in house.
<b>Moreton Bay Rail – Brisbane, QLD</b>	Skilled trades and technical personnel, civil operators and general labour provided for Drainage & Civil, Road Construction, Electrical Services and Subtraction Construction, Project Fencing.
<b>Sunshine Coast University Hospital – Kawana, QLD</b>	Provision of electrical trades and technical personnel for Electrical Fit Out and Security Package Fit Out packages. On-site Training Provided – CPR and Low Voltage rescue.
<b>National Broadband Network – Various Areas of QLD</b>	Installing fibre to premises, civil construction and remedial works in metropolitan and regional areas. Training courses facilitated by GO2 – NBN Awareness, Pole Top Rescue, Pit & Pipe, CPR.
<b>GLNG Roma 02 Roma Upstream – Surat Basin, QLD</b>	Electrical trades and technical personnel provided for electrical installation and commissioning work associated with the upstream gas gathering facilities.
<b>Fairview 4 &amp; 5 Substation Project Surat Basin, QLD</b>	Specialist civils and electrical team provide for transmission network extension - substation construction and associated civil works, substation commissioning and energisation.
<b>GoldlinQ Stage 2 – Gold Coast QLD</b>	Exclusive contract for provision of labour force for project life including civil operators, skilled and unskilled labour.
<b>Toowoomba Second Range Crossing, QLD</b>	Exclusive contract for provision of labour force for project life including civil operators, skilled and unskilled labour.
<b>Perth Stadium – Perth, WA</b>	Provision of trade qualified commercial plumbing personnel from early stage construction through to final stage completion.



## 3.6 Building Division

The Building Division was established to complement the Company's Labour Hire Division, with synergies between the divisions expected to help drive overall growth in each division.

To date, the Building Division has built and sold a number of trial, proof of concept homes funded by the Company, which has allowed the Building Division to commence marketing and seeking out suitable developments.

The Company is now proposing to expand the Building Division through the Acquisitions which will allow the Company to locate, manage and carry out building and construction projects. The Company believes these Acquisitions will help maximise the growth potential of the Company by adding related sources of potentially higher profit margin revenues.

The Company is planning to focus its Expanded Building Division on three areas, Rapid Build Smart Home buildings, small commercial buildings, and onsite mine infrastructure buildings.

### 3.6.1 Revenue From the Expanded Building Division

The Expanded Building Division will generate revenue from the construction and sale of houses and buildings, completion of housing and commercial building projects on contract for clients and the leasing of properties, with a focus on the 'Over 55' rental market. The Company has identified opportunities in which it believes the Expanded Building Division may in the future begin to both develop and build Rapid Build projects and may therefore generate revenue as both the developer and builder.

The Expanded Building Division also anticipates earning revenue from building homes for other developers on contract, and receive a lump sum price or set fee for the contract, and also from joint venture arrangements, with cost and profit sharing. In the short term, the Expanded Building Division will be focussed on locating small residential and commercial projects in Western Australia and Queensland.

At present, GO2 Building is party to a memorandum of understanding with Resi Property Holdings Pty Ltd (ACN 618 039 633) as trustee for the Resi Property Trust (**Resi**) (a group of property investors who are seeking to acquire land, construct Rapid Build Smart Homes and hold a portfolio of residential properties). GO2 Building has been appointed as Resi Property Trust's exclusive builder for its projects, and will seek to generate revenue from an agreed builder's margin under this agreement. A summary of the memorandum of understanding with Resi is set out in Section 9.10.

The Expanded Building Division also proposes to tender for, seek and bid on building and construction contracts in the remote mining infrastructure sector. The revenue from this will be in the form of contract revenue from either fixed lump sum contracts, construction management contracts, or design and construction contracts.

Key management of the Expanded Building Division have strong networks and experience in the building and construction industry, and will be driving the sales and marketing team to identify and attract new building opportunities. The Company also proposes to utilise a number of key relationships with developers, project finders, property agents, consultants and promoters of building and housing opportunities.

### 3.6.2 The Rapid Build Method

The Expanded Building Division will focus on the Rapid Build method, which is a quality alternative to traditional building methods that utilises structural integrated panel systems and wet area pods as its basis. Structural integrated panel systems are integrated panels which can be used in place of brick, steel and timber, which have a simple construction method that reduces building time. Wet area pods are wet areas (such as bathrooms) which are built offsite, and then installed into the building in final form, cutting down on building time and cost.

Utilising labour from the Labour Hire Division, the structural integrated panels and the wet area pods can be pre-fabricated in a factory environment to planned specification and transported to site. The Labour Hire Division is presently providing labour services to one of the manufacturers of the Rapid Build panelling. In managing a Rapid Build project, the Expanded Building Division will have greater control over the building process than in a traditional build.

Pre-fabrication of the panels and wet area pods significantly reduces the amount (and generally the cost) of labour-intensive work carried out on site, reducing the risk of exposure to inclement weather, which can have a significant impact on construction times.

A completed dwelling which has utilised these alternative construction methods have a similar end appearance as most traditionally built houses. External facades, internal fittings and paint schemes allow for current or traditional trends, dependent on the project.

Houses in Australia and New Zealand remain predominately hand-built, which offers the opportunity to provide innovative alternatives to traditional building methods and products, focusing on providing clients and partners with an expedited construction time and affordable high-quality finishes.

### 3.6.3 GO2 Building

GO2 Building has arrangements to couple the Rapid Build method with smart technology, to create a Smart Home by integrating pro-automation services which manage lighting, entertainment and security systems in residential and commercial buildings. Controlled by smart phones, tablets, and voice activation capability, the smart technology offering provides a point of difference in the affordable housing sector, whilst remaining cost effective. The Labour Hire Division is also presently providing labour to one of the home automation technology providers.

Integrating the Labour Hire Division into the supply and build process is likely to generate additional revenue for the Company, whilst ensuring control over the quality of workmanship and, subsequently, the final product.

### 3.6.4 Terra Firma

As noted previously, the Company has entered into an agreement to acquire 100% of the issued capital in Terra Firma, which will settle upon the Company receiving conditional approval from the ASX to be admitted to the Official List. On completion of the acquisition, Terra Firma will form part of the Company's Expanded Building Division.

Terra Firma is a medium size multidisciplinary construction company which offers a full range of services, specialising in construction in the mining, resource, government and residential sector throughout Western Australia. Terra Firma began operations in Perth, Australia in early 2015 and has since taken on multiple projects throughout the state of Western Australia.

Terra Firma procures, constructs and completes projects ranging from complete steel framed houses and Rapid Build panel houses, to container based houses.

Terra Firma has also entered the small commercial building market, which incorporates the building of factory units, and small industrial buildings. To date, Terra Firma has contracted on a number of commercial projects in both metropolitan and remote areas, such as the Paraburdoo Child Care Centre, Dampier Community Hub and Secret Harbour Commercial complex.

Terra Firma also provides building solutions to Western Australian mining companies by providing, building and installing onsite accommodation, administration and other non-process infrastructure.

Terra Firma's qualified staff, industry knowledge, technical expertise and management capabilities made it an important, and advantageous acquisition prospect for the Company in its goals to expand the Building Division.

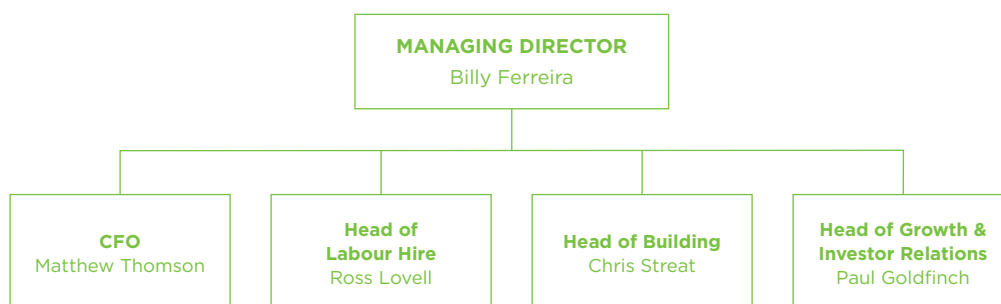
## 3.7 Directors and Key Personnel

The Board of the Company consists of:

- (a) **Mr Darren Cooper** – *Independent Non-Executive Chairman* – Refer to Section 8.1 of this Prospectus for Mr Cooper's biography;
- (b) **Mr Abilio (Billy) Ferreira** – *Managing Director* – Refer to Section 8.1 of this Prospectus for Mr Ferreira's biography; and
- (c) **Mr Douglas Grewar** – *Non-Executive Director* – Refer to Section 8.1 of this Prospectus for Mr Grewar's biography.

Other senior management positions held within the Company are Head of Growth and Investor Relations, Mr Paul Goldfinch, Head of Building, Mr Christopher Streat, Head of Labour Hire, Mr Ross Lovell, Chief Financial Officer and Joint Company Secretary, Mr Matthew Thomson, and Joint Company Secretary Mr Peter Torre.

### Senior Management Team



Biographies for Messrs Goldfinch, Streat, Lovell, Thomson and Torre are contained in Section 8.1 of this Prospectus.

The Company has appointed an advisory board to help the Board and management with strategic direction, operational efficiency, ASX obligations, investor relations, industrial and labour relations and business development. The advisory board will comprise the following advisors, who have experience in the following relevant fields:

- (a) Fraser Kahler – broking, investor relations and ASX compliance;
- (b) George Gear – ASX corporate governance and industrial and labour relations;
- (c) Dario Amara – civil construction, residential construction and ASX compliance; and
- (d) Neal Shoobert – accounting and finance.

The Board believes that skill set of the advisory board will enhance and support the Company's board and management.

The Company is aware of the need to have sufficient management to properly supervise the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles within the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects.

## 3.8 Capital Structure

The capital structure of the Company following completion of the Offer (assuming a Maximum Subscription) is summarised below:

### Shares<sup>1</sup>

	NUMBER
Shares currently on issue	62,333,333
Shares to be issued pursuant to the Offer <sup>2</sup>	60,000,000
Shares to be issued pursuant to the Acquisitions <sup>3</sup>	5,500,000
<b>Total Shares on completion of the Offer</b>	<b>127,833,333</b>

### Options<sup>5</sup>

	NUMBER
Options currently on issue <sup>4</sup>	15,000,000
Options to be issued pursuant to the Offer	Nil
<b>Total Options on completion of the Offer</b>	<b>15,000,000</b>

<sup>1</sup> The rights attaching to the Shares are summarised in Section 10.2 of this Prospectus.

<sup>2</sup> Assuming the Maximum Subscription under the Offer. In the event that the Minimum Subscription is raised, the Company will have 117,834,333 Shares on issue upon completion of the Offer and the Acquisitions.

<sup>3</sup> Being 3,000,000 Shares to be issued to the GO2 Building Vendors and 2,500,000 Shares to be issued to the Terra Firma Vendor. Refer to Section 9.2 and 9.3 for further information on the consideration to be provided under the Acquisition Agreements.

<sup>4</sup> Comprising 2,500,000 Options exercisable at \$0.225 each, on or before 21 June 2021 (**Class A Options**), 5,000,000 Options exercisable at \$0.30 each, on or before 21 June 2021 (**Class B Options**) and 7,500,000 Options exercisable at \$0.40 each on or before 21 June 2021 (**Class C Options**).

### 3.9 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

#### As at the date of the Prospectus

SHAREHOLDER	SHARES	OPTIONS	% (UNDILUTED)	% (FULLY DILUTED)
Everglades Investment Pty Ltd as trustee for the Everglades Discretionary Account <sup>1</sup>	27,500,000	Nil	44.12%	35.56%
Goldfinch Discretionary Pty Ltd as trustee for the Goldfinch Discretionary Account	27,500,000	Nil	44.12%	35.56%

<sup>1</sup> Everglades Investment Pty Ltd is controlled by Kathleen Ferreira, the spouse of Billy Ferreira, a Director. Billy Ferreira is also a beneficiary of the Everglades Discretionary Account.

#### On completion of the Offer (assuming a Minimum Subscription under the Offer, and no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

SHAREHOLDER	SHARES	OPTIONS	% (UNDILUTED)	% (FULLY DILUTED)
Everglades Investment Pty Ltd as trustee for the Everglades Discretionary Account <sup>1</sup>	27,500,000	Nil	23.34%	20.70%
Goldfinch Discretionary Pty Ltd as trustee for the Goldfinch Discretionary Account	27,500,000	Nil	23.34%	20.70%

<sup>1</sup> Everglades Investment Pty Ltd is controlled by Kathleen Ferreira, the spouse of Billy Ferreira, a Director. Billy Ferreira is also a beneficiary of the Everglades Discretionary Account.

#### On completion of the Offer (assuming a Maximum Subscription under the Offer, and no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

SHAREHOLDER	SHARES	OPTIONS	% (UNDILUTED)	% (FULLY DILUTED)
Everglades Investment Pty Ltd as trustee for the Everglades Discretionary Account <sup>1</sup>	27,500,000	Nil	21.51%	19.25%
Goldfinch Discretionary Pty Ltd as trustee for the Goldfinch Discretionary Account	27,500,000	Nil	21.51%	19.25%

<sup>1</sup> Everglades Investment Pty Ltd is controlled by Kathleen Ferreira, the spouse of Billy Ferreira, a Director. Billy Ferreira is also a beneficiary of the Everglades Discretionary Account.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on the ASX.

### 3.10 Restricted Securities

Subject to the Company being admitted to the Official List, certain Shares and Options on issue will be classified by the ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that 65,333,333 Shares and 15,000,000 Options will be subject to escrow as follows:

- (a) 833,333 Shares for 12 months from the date of issue (held by seed investors);
- (b) 64,500,000 Shares for 24 months from the date of Official Quotation (primarily held by current Shareholders and vendors); and
- (c) 15,000,000 Options for 24 months from the date of Official Quotation (held by current Shareholders, advisors, and employees).

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on the ASX.

The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company) at the time of listing, will, in compliance with ASX Listing Rule 1.1 Condition 7, be not less than 20%.

### 3.11 Financial Information

The Company's historical financial information is set out in Section 7 of this Prospectus.

### 3.12 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's businesses. These activities, together with the possible acquisition of interests in other businesses, are expected to dominate the two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.



4





# INDUSTRY OVERVIEW - LABOUR HIRE IN AUSTRALIA (TEMPORARY STAFF SERVICES)

## 4.1 Industry Definition

Labour hire industry firms provide temporary staffing solutions for client companies on a fee or contract basis. Labour hire companies employ the staff that carry out temporary assignments in the client's businesses. These temporary staff members work for the client at the client's work site for operational purposes, but remain legally employed by (and are paid by) the labour hire provider such as The GO2 People's Labour Hire Division. Between 2015 and 2016 there were over 6,500 labour hire industry firms and businesses in Australia that generated approximately \$19.5 billion in revenue. Figure 4.1.1 outlines a snapshot of the key statistics for the labour hire industry for 2015/16.

### Revenue

**\$19.5bn**

### Annual Revenue Growth 15-16

**2.2%**

### Wages

**\$13.4bn**

### Business

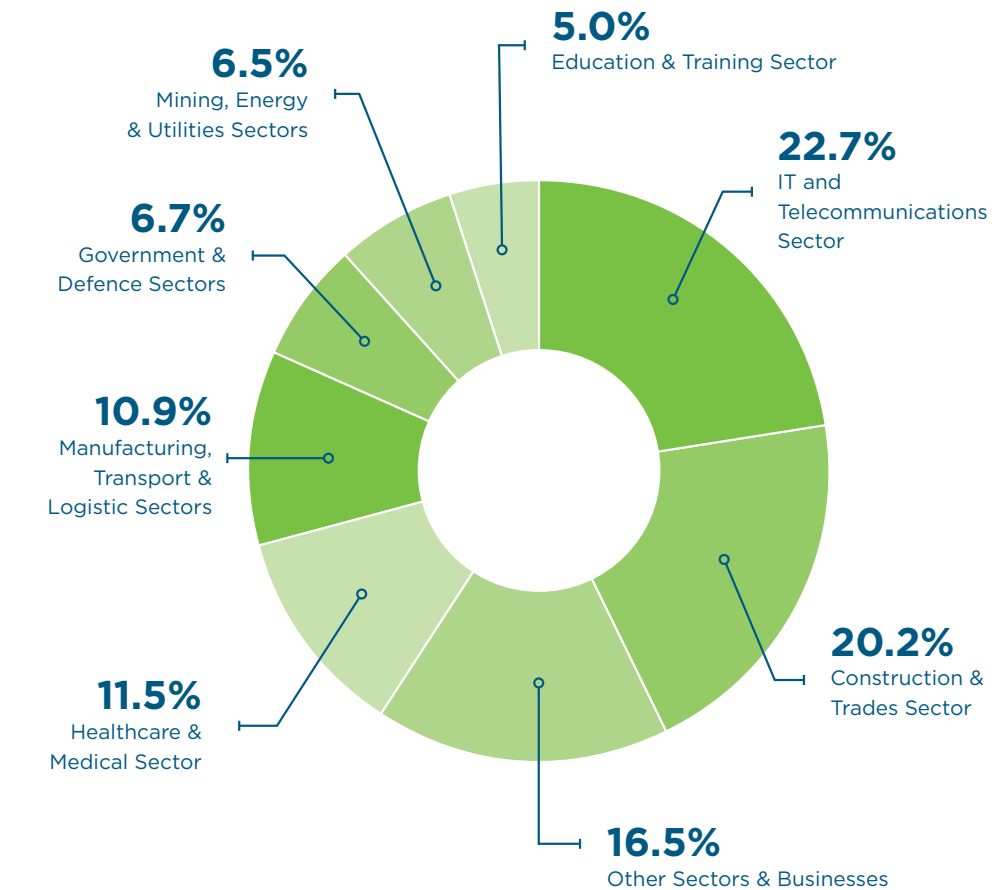
**6,581**

Figure 4.1.1 Labour Hire key statistics 2015/16

Source: IBIS World Industry Report N7212 Temporary Staff Services Feb 2017

## 4.2 Major Market Segmentation

The labour hire industry in Australia provides temporary staff services to a wide range of industries and sectors. The main markets for the industry are IT and telecommunications; construction and trades; manufacturing, transport and logistics; healthcare and medical; government and defence; mining, energy and utilities; and education and training (refer to Figure 4.2.1 below). The GO2 People presently operate predominately in the 'construction and trades' sector.



**Total Temporary Staff (Labour Hire)**  
**Revenue 2015/16**

**\$19.5bn**

Figure 4.2.1 Major Market Segmentation 2015/16  
Source: IBIS World Industry Report N7212 Temporary Staff Services Feb 2017

## 4.3 Key External Drivers

### (a) National unemployment rate

Temporary and contract staff tend to be used more when labour needs are greater across client companies. The unemployment rate indicates the demand for labour. Labour hire industry demands tend to grow as the unemployment rate falls. Lower unemployment rates generally have a positive effect on labour hire growth. The 3 years prior to the end of 2016 saw a decrease in unemployment rates.

### (b) Demand from construction

The building and construction sector requires high volumes of short-term, contract labour, which can be supplied by labour hire industry firms such as The GO2 People (refer to Figure 4.2.1). Any decline in construction activity can have a negative effect on labour hire industry demand and conversely an increase in activity can have a positive effect. After 5 years of upward demand for labour hire in the construction and building industry, demand for construction slowed towards the end of 2016, representing a threat to labour hire industry revenue. There are a number of potential major infrastructure projects around Australia that have been announced recently (such as the \$1.8 billion Forrestfield Airport link in Western Australia, the \$6 billion Cross River Rail and \$1.8 billion Byerwen Mine Expansion in Queensland, and the \$16.8 billion Wesconnex and \$8.3 billion Sydney Metro projects in New South Wales, among others), which may have a positive effect on the demand for labour hire in construction.

### (c) Demand from mining

The mining sector uses temporary and contract employment services to fill vacant positions (refer to Figure 4.2.1). A rise in demand from mining companies can have a positive effect on labour industry firms, and can lead to increased labour industry revenue growth. Mining projects can be major users of short term labour hire services. Labour hire demand from mining fell during the past few years, with some evidence of a small recovery from the beginning of 2017. A number of new and restarted gold projects and minor and industrial metals projects (lithium/cobalt/graphite/garnet) have been announced and are commencing construction. Examples include Altura Mining and Pilbara Minerals' (Pilbara, Western Australia) lithium projects, a number of gold projects, including those of Gold Road Resources (Gruyere, Western Australia), Carbine Resources (Mt Morgan, Queensland) and Dacian Gold (Mount Morgans, Western Australia), as well as Australian Garnet's (Northampton, Western Australia) industrial minerals project.

### (d) Demand from health care and social assistance

The healthcare sector regularly uses contract employment services (refer to Figure 4.2.1). Hospitals and other health service (ie aged care) companies are increasingly using temporary staff to fill positions, with the industry also providing staff recruitment and selection services. Demand from this sector has had a steady increase in the past 5 years as the need for aged care has increased.

### (e) Demand from business process outsourcing in Australia

The outsourcing of company's internal business processes to an external company can lead to increased demand for temporary staff in the external company. An increase in business outsourcing means there are more companies that require staff from the industry and more independent contractors available to work for client companies. This trend benefits the industry and provides an opportunity for temporary staff services firms to expand.

## 4.4 Current Performance

The general trend towards outsourcing non-core activities in the private and public sectors has fuelled growth in the temporary staff services industry (including labour hire) over the past two decades. Labour hire industry revenue has continued to expand over the past five years (Refer to Figure 4.4.1 & 4.4.2), although this growth has been limited by increases in the national unemployment rate and the slowing of outsourcing trends, especially in the mining and construction sectors. However, by historical standards the national unemployment rate has been comparatively low over much of the period. This trend has helped support client demand for a flexible workforce and stimulated demand for temporary staff as employers struggled to fill vacancies in some areas. The relatively strong labour market also gave many workers the confidence to switch jobs, creating temporary vacancies.

**REVENUE GROWTH LABOUR HIRE INDUSTRY 2009 TO 2016**



Figure 4.4.1 Percentage change in the labour hire industry revenue from 2009 to 2016  
Source: IBIS World Industry Report N7212 Temporary Staff Services Feb 2017

YEAR	REVENUE \$ MILLION	GROWTH %
2008-09	16,672.3	-3.4
2009-10	16,760.2	0.5
2010-11	17,027.7	1.6
2011-12	17,702.5	4.0
2012-13	18,502.5	4.5
2013-14	18,609.6	0.6
2014-15	19,089.5	2.6
2015-16	19,507.2	2.2
2012-13	18,502.5	4.5
2013-14	18,609.6	0.6
2014-15	19,089.5	2.6
2015-16	19,507.2	2.2

Figure 4.4.2 - Revenue and Percentage change in the labour hire industry revenue from 2009 to 2016  
Source: IBIS World Industry Report N7212 Temporary Staff Services Feb 2017

## 4.5 Industry Outlook

Demand for staffing services provided by the temporary staff services industry (including labour hire) is expected to be steady. Many firms and organisations that require temporary staff may not have the scale or funds to hire specialist full-time staff, instead relying on industry services to supply skilled and professional workers on short-term contracts or for project-based work. Using contract and temporary staff provides companies with greater flexibility, particularly for short-term work and during periods of economic uncertainty. While new client companies are anticipated to hire short-term specialists, a forecast fall in the national unemployment rate is expected to provide opportunities for industry expansion.

### (a) Revenue and profit changes

Labour hire industry revenue is expected to grow steadily, as the client trend towards flexible workforces and working arrangements continues. Growth in demand from major construction work is expected as a higher level of publicly-funded infrastructure projects move through the development pipeline to the commencement stage. Demand growth from the healthcare sector is also expected to be high as the population ages and medical facilities improve. The education sector is expected to drive some industry growth as student numbers increase and schools and universities require more staff. While the mining division is projected to remain an important market in Western Australia and Queensland, the sector is unlikely to record the same rapid pace of employment expansion that occurred during the mining boom.

### (b) Outsourcing and technology trends

The trend of outsourcing lower skilled jobs to developing nations is expected to have a negative effect on the industry, as some positions supplied by the industry are for low-skilled, labour-intensive jobs. The industry will need to explore employee training, which could allow operators to capitalise on areas of critical skills shortages in Australia. The importation of foreign labour may continue to be a contentious issue for the industry and employers over the coming years. Expected increases in migrant labour may benefit the industry as client companies look to use workers for short periods to increase their operational flexibility and minimise permanent placements.

The labour hire industry will continue to be an important supplier of short-term labour for professional roles such as IT, communications, finance, education and medical services. Further growth is expected to come from transport and logistics companies, while the manufacturing sector will likely require fewer workers as manufacturing activity remains weak. Although in the mining sector, mining companies have a comparatively small employed workforce, a high proportion of its personnel are made up of highly-paid contract and temporary staff provided by the labour hire industry.

## 4.6 Business Locations

The geographic spread of establishments in the industry is broadly in line with the spread of population and economic activity. New South Wales, Victoria and Queensland dominate the building and construction industry, and labour hire industry due to their number and size of projects and because many major client companies are headquartered and located in Sydney, Melbourne and Brisbane, and across these States. The major markets for temporary and contract staff are therefore concentrated in New South Wales, Victoria and Queensland, which contributes to the dominance of these states within the industry.

A relatively strong concentration of firms in Western Australia reflects the prominence of mining activity in the state. Demand from the mining sector in Western Australia had been a key driver of industry revenue growth through the “mining boom”. However, the weaker mining sector in the past five years resulted in demand for temporary and contract staff (labour hire) also falling across the sector during the past few years. At present, there are a number of new Australian mining projects that are being proposed and projects on which work has commenced, especially in the gold and minor strategic metals (such as lithium, graphite and cobalt) in Western Australian, Queensland and New South Wales.

Refer to Figure 4.6.1 below, which highlights the geographical spread of revenue from temporary and contract staff.

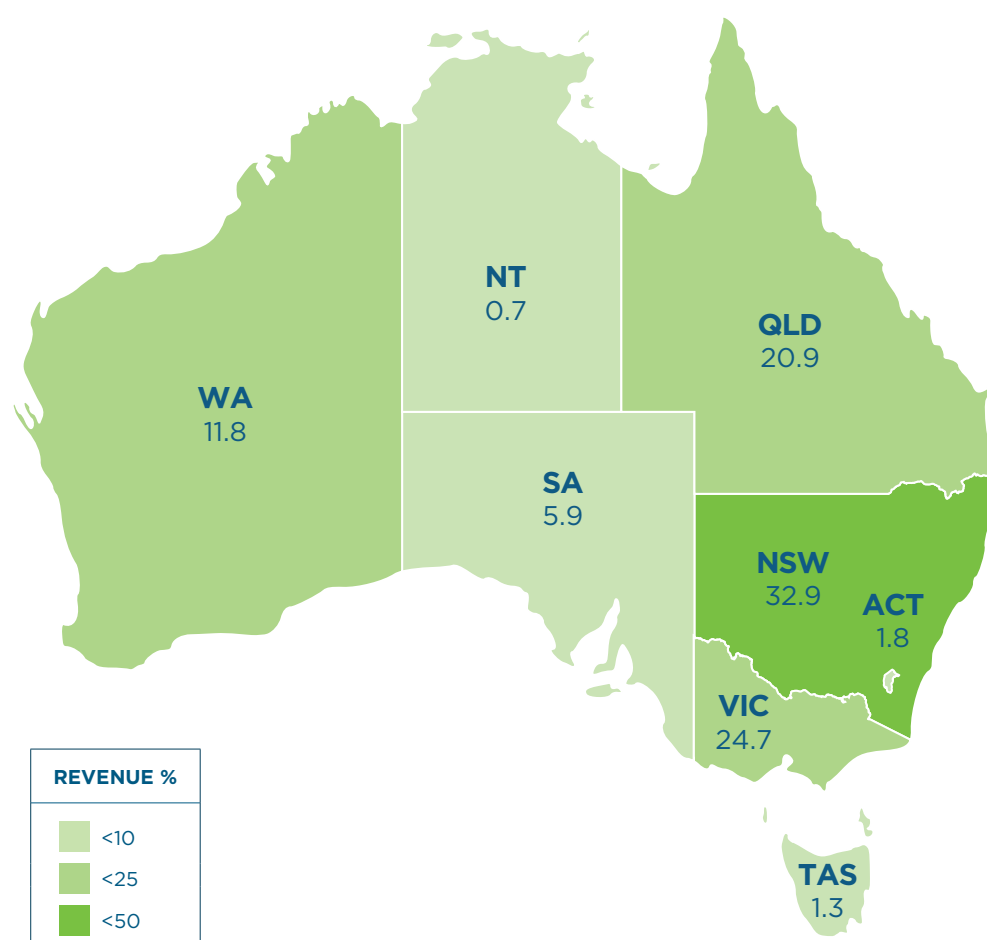


Figure 4.6.1 – Geographical spread of revenue from contract and temporary staff as at February 2017  
Source: IBIS World Industry Report N7212 Temporary Staff Services Feb 2017

5





# INDUSTRY OVERVIEW - HOUSING CONSTRUCTION IN AUSTRALIA

## 5.1 Industry Definition

The housing construction industry consists of companies that mainly construct houses (excluding multi-unit apartments and townhouses) or carry out alterations, additions, renovations or general repairs to houses, which is one of the sectors that Terra Firma and GO2 Building operate in. The industry also includes operators that organise and manage these activities as the prime contractor. This sector provided over \$44b revenue from more than 42,000 businesses and 200,000 employees between 2015 and 2016. Figure 5.1.1 outlines a snapshot of the key statistics for the housing construction industry for 2015/16.

### Revenue

**\$44.4bn**

### Annual Revenue Growth 15-16

**2.6%**

### Wages

**\$4.0bn**

### Business

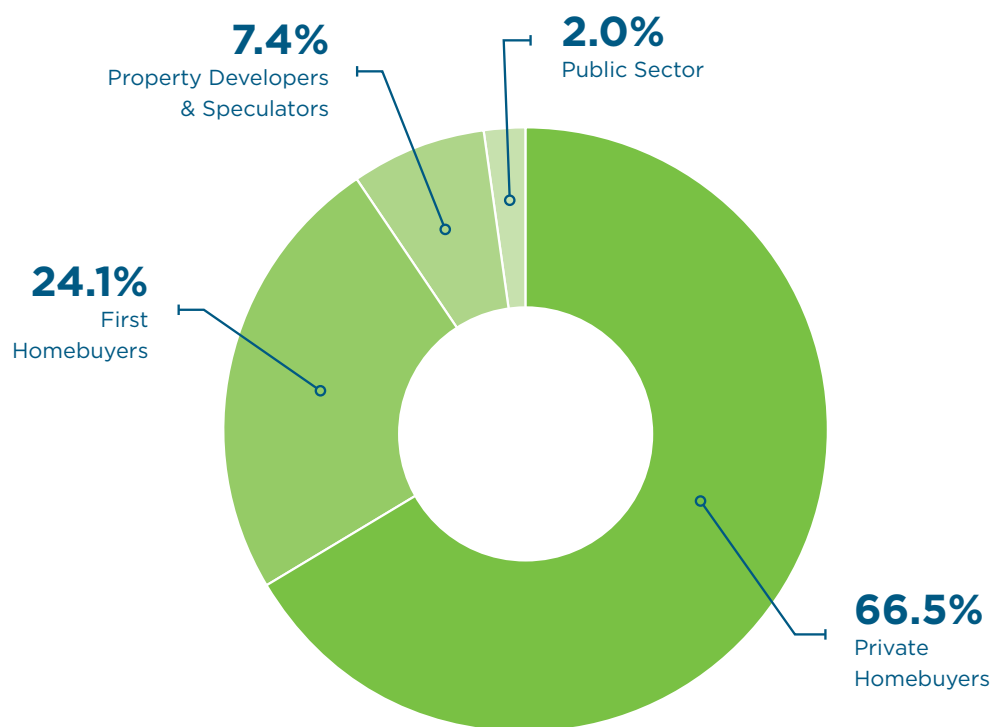
**42,534**

Figure 5.1.1 Housing Construction key statistics 2015/16

Source: IBIS World Industry Report E3011 House Construction in Australia, February 2017

## 5.2 Major Markets Segmentation

Private clients provide about 98.0% of the annual revenue for the housing construction industry. The mix of private and public funding tends to remain stable over the long term. Figure 5.2.1 shows the major market segmentation in 2015/2016.



Total housing construction industry  
revenue 2015/2016

**\$44.4bn**

Figure 5.2.1 Major Market Segmentation 2015/16  
Source: IBIS World Industry Report E3011 House Construction  
in Australia, February 2017

**(a) Private homebuyers**

About two-thirds of private-sector investment (refer to Figure 5.2.1) in the single-unit housing market is by second, third and fourth-time homebuyers. This segment of the market has climbed marginally as a share of industry revenue over the past five years reflecting the corresponding decline in the first home buyer component of total sales. In terms of both price and quality, the bulk of housing construction has remained in the lower to middle segment of the market over the long term. This market segment is highly competitive with the larger scale builders. Home construction for these buyers often involves building larger homes, often with multiple bathrooms and car parks and on larger land allotments in more desirable locations.

**(b) First homebuyers**

First homebuyers are expected to account for under one-quarter of investment in the traditional single-unit housing market (refer to Figure 5.2.1) and the share of home building industry revenue generated from this market is believed to have declined over the past five years due to the reduction of government subsidies and the upward trend in house and land prices. First homebuyer purchases are generally new developments in outer suburban locations where land prices are lower and houses are constructed on subdivisions. The Expanded Building Division will target this market. Over the past decade, there have been Commonwealth and state-supported schemes to encourage first home buyer investment. The first homebuyers market usually remains fairly stable over the long term and reflects an important source of demand for many larger home builders.

**(c) Property developers and speculators**

A small share of industry revenue comes from private property developers (refer to Figure 5.2.1) looking to on sell housing stock or maintain it for rental purposes. Home builders commonly construct houses on their own land during periods of weak activity in the new housing market. This speculative building ensures they are fully occupied despite the weaker demand conditions (albeit with no current income), with the aim to sell the completed project when the demand conditions strengthen in the housing market.

Speculative housing development is believed to have increased during the past five years as builders compensate for the subdued demand. However, the private development of single-unit housing projects has similarly been subdued in recent years. This market is expected to remain stable over the long term.

**(d) Public sector**

The public sector is not a particularly big player in the new housing construction market (Refer to Figure 5.2.1), preferring to support low-cost housing through rental subsidisation or through grants to first homebuyers or rental property developers. The principal source of public funding for single-unit housing development is the construction of defence-force accommodation, which is owned by the Department of Defence (via Defence Housing Australia) and rented at a subsidised rate to employees. This market accounts for about 2.0% of total housing construction. This share has remained stable within the range 1.2% to 2.7% over the past five years.

**(e) Over 55's housing sector**

The 'Over 55s' housing sector is a building sector being targeted by the Expanded Building Division. In 2014, approximately 5.8 million of the Australian population were aged 55 years or older. A proportion of the over 55-year-old population have difficulty finding appropriate affordable housing that meets their financial position and health and living circumstances.

Many 'Over 55s' wish to "downsize" - selling the family home to release capital, and moving into a lower maintenance property nearby, such as a smaller single house, villa, apartment, townhouse or retirement village unit.

Coastal holiday destinations are popular, and in addition to providing the attractions of a holiday lifestyle, they offer a range of 'Over 55' communities and retirement villages which also offer social activities and the convenience and security of a "lock up and leave" home when residents want to travel.

## 5.3 Key External Drivers

### (a) Dwelling commencements

Dwelling commencement trends indicate a demand for new housing construction. The number of dwelling commencements (housing starts) have increased over the past five years albeit some decline has shown in 2016 (Refer to Figure 5.3.1). However, the construction of multi-unit apartments and townhouses has captured an increasing share of the total commencements at the expense of single-unit house construction. Dwelling commencements declined during 2016, (refer to Figure 5.3.2 below) which poses a short-term threat to the pace of industry expansion.

#### DWELLING COMMENCEMENTS



Figure 5.3.1 - Number of dwelling commencements, by unit, from the period 2008 to 2016.  
Source: IBIS World Industry Report E3011 House Construction in Australia, February 2017

#### GROWTH IN NEW SINGLE-UNIT HOUSE COMMENCEMENTS

YEAR	DWELLING COMMENCEMENTS	(% CHANGE)
2011-12	89,837	N/C
2012-13	94,342	5.2
2013-14	105,958	12.3
2014-15	116,661	10.1
2015-16	115,560	-0.9

Figure 5.3.2 - Growth per year in the single-unit housing commencements from 2011 to 2016.  
Source: IBIS World Industry Report E3011 House Construction in Australia, February 2017

**(b) Mortgage affordability**

Mortgage affordability determines new housing demand over the short to medium term. Mortgage affordability has improved marginally over the past five years as interest rates have fallen to historic lows. Mortgage affordability has stayed stable as flat mortgage interest rates and steady household income combine to outweigh the adjustments in house prices. Refer to Figure 5.3.3 below, which shows the change in percentage of household income required to service mortgage repayments from 2009 to 2016.

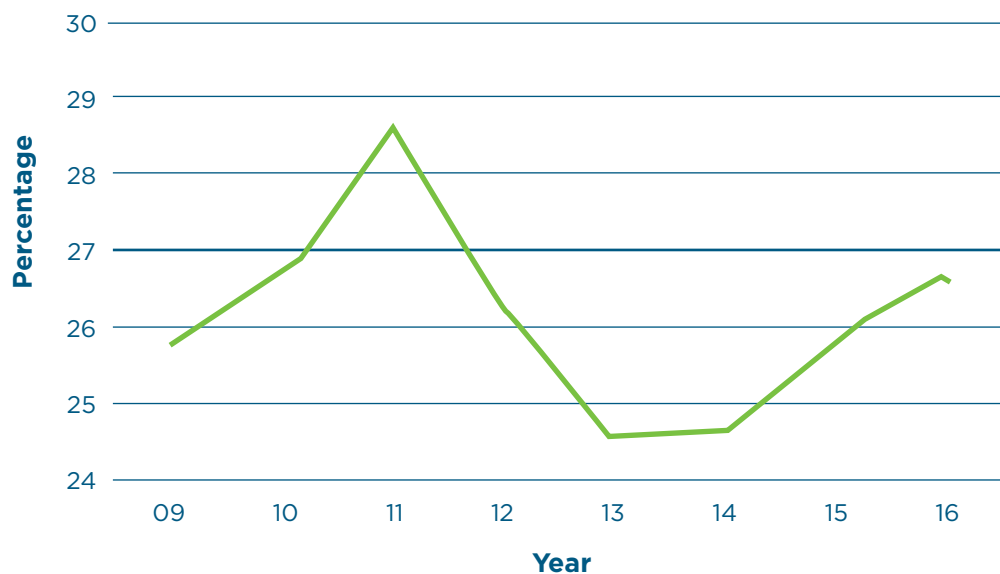


Figure 5.3.3 – Change in the percentage of household income required to service mortgage repayments from 2009 to 2016.  
Source: IBIS World Industry Report E3011 House Construction in Australia, February 2017

**(c) Residential housing loan rates**

Prevailing and expected home loan interest rates affect construction demand in the short to medium term. Subdued local and global economic demand has eased inflationary pressures and contributed to a downward trend in residential home loan rates. The Reserve Bank of Australia official interest rate remains at some of the lowest levels in decades.

**(d) Number of households**

Household formation patterns influence long-term demand for new housing construction. Strong immigration growth and a low birth rate have meant there are fewer young people in the total population, and an additional number of individuals in each household. The number of households increased during 2016, supporting underlying demand for new housing construction, especially in the affordable housing sector.

**(e) Residential housing prices**

Residential housing prices indicate underlying demand for housing, and influence housing affordability. Rising house prices tend to discourage homebuyers, especially first homebuyers, from entering the housing market. Conversely, rising house prices may encourage residential property investors to construct new properties in the hope of price growth. Residential housing prices continued rising in 2016, albeit at a slower pace, which may still discourage first homebuyers from entering the housing market.

## 5.4 Current Performance

The house construction industry has endured variable trading conditions over the past five years, stemming partly from fluctuations in residential building investment and partly from the shift in housing preferences towards high-density apartments and townhouses. Although the industry has benefited from overall growth in the number of dwelling commencements over the past five years, there has been a downward trend in the average value per housing unit constructed, which has partly constrained the pace of industry expansion.

The industry has displayed wide cyclical fluctuations over the past five years. Industry revenue rebounded from a deep cyclical trough in 2012-13 to reach a cyclical peak in 2015-16 (Refer to Figure 5.4.1 & 5.4.2). Pent-up demand for new housing, and a marginal improvement in mortgage affordability fuelled this recovery. Refer to Figures 5.4.1 for the percentage change in industry revenue from 2009 to 2016.

### HOUSING CONSTRUCTION INDUSTRY REVENUE



Figure 5.4.1 - Percentage change in housing construction industry revenue from the period 2009 to 2016.  
Source: IBIS World Industry Report E3011 House Construction in Australia, February 2017

YEAR	REVENUE \$ MILLION	GROWTH %
2011-12	39,762.2	-7.8
2012-13	38,864.2	-2.3
2013-14	39,118.6	0.7
2014-15	43,258.3	10.6
2015-16	44,397.9	2.6

Figure 5.4.2 - Percentage change in housing construction industry revenue from the period 2011 to 2016  
Source: IBIS World Industry Report E3011 House Construction in Australia, February 2017

### 5.4.1 Industry Outlook

The house construction industry is anticipated to endure patchy short-term conditions. The escalation in residential house prices over the past five years may be reversing, but this, along with the continued decline or flattening in home loan rates, is unlikely to encourage first homebuyers to enter the market. Demand for new single-unit house construction is also expected to be contained in the short term by the aftermath of the resources boom in Queensland and Western Australia, and the spill over of excess supply conditions in the multi-unit apartment market. Despite the short-term contraction in the industry's performance, with continuing population growth and improved general economic conditions, this could support demand for new housing especially in the affordable housing markets. Homebuyers are expected to face some deteriorating mortgage affordability, stemming from modest rises in residential home loan rates and housing prices.

Trends in housing construction activity are likely to vary across the states. Stronger housing investment is predicted for the southern Queensland, northern New South Wales and the Sydney markets. This expansion reflects an anticipated recovery from the subdued construction trends that occurred over the past five years. Weaker growth prospects are expected to prevail in Victoria, Southern New South Wales and Western Australia, partly reflecting the extent of the excess apartment stock in several of these markets, which is anticipated to reduce demand for single-unit housing construction.

#### Profitability Improves

According to the IBIS World Industry Report (E3011 House Construction in Australia, February 2017), the housing construction industry's profit performance is expected to gradually improve, although competition is projected to remain intense for the industry's many small-scale contractors, and in most regional markets. However, larger home builders are likely to have some scope to achieve improved profitability, particularly those combining construction with land development activities in lifestyle community projects. Subdued construction activity in the non-building infrastructure markets may contain price growth for a range of construction materials, such as cement and aggregates, which is likely to assist the bottom line for many contractors.

#### Factors Driving Demand

The Reserve Bank is expected to gradually lift official cash rates in response to stronger domestic demand conditions and upward trends in world interest rates. The increased interest rates are expected to contribute to some deterioration in mortgage affordability, although the bulk of the change in affordability is likely to come from bidders driving up residential housing prices in response to the restricted housing supply.

Increased migrant intake is projected to underpin an increase in the pace of population growth. This is projected to contribute to greater demand for housing. Most of this accommodation is likely to be in high-density apartments, although there is likely to also be some stimulus for the single-unit housing market.

Australia's pent-up demand for accommodation has fuelled both growth in property values and demand for new housing construction. Escalating land values and material prices are expected to continue to drive demand for the construction of lower cost housing, particularly apartments and townhouses. However, state governments have made a concerted effort to open land for housing development to improve access for first homebuyers. In conjunction with private residential property developers, state-based urban land authorities are opening new tracts on outer suburban fringes for residential subdivisions and are requiring developers to ensure adequate amenities for young families.



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# RISK FACTORS

An investment in the Company carries risk including those specific to the Company, those broader risks which affect the environment, which the Company operates in, and those more general risks associated with investing in the share market. Many of these risks are outside the control of the Company, its Directors and officers. Consequently, the Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends or return of capital. Neither the Company nor its Directors nor any party associated with the preparation of this Prospectus warrants that any specific objective of the Company will be achieved.

The list below highlights the more significant and material risks; however, the list may not be exhaustive. Other less significant or less probable factors may also impact financial performance, financial position or cash flow of the Company. Should any or all of these risk factors materialise, the value of the Shares of the Company may be adversely affected.

Consequently, investors should read this Prospectus in its entirety and consider the following risk factors and, if necessary, consult their accountant, financial advisor, stockbroker, lawyer or other professional advisor prior to making an investment in the Company.

The Company considers the following to be the most significant and material risks;

- |  |   |
|--|---|
| 1) Workers health and safety                 | 4) Industrial relations risk                        |
| 2) Reliance on major clients                 | 5) Additional requirements for capital              |
| 3) Building/construction industry volatility | 6) Technology disruption eroding labour hire market |

There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the Company's proposal to increase the size of the Labour Hire Division, and to acquire Terra Firma and GO2 Building are set out below.

## (a) Workers Health and Safety

The Company is a major employer and is controlled by the laws, regulations and rules relating to workers' health and safety (**WHS**). Any major incident that may cause a death, injury or mental related illness may cause a major disruption to the Labour Hire Division, and could create a major financial claim against the Company. Claims of sexual or racial abuse may also have a detrimental effect on the Labour Hire Division operations. The Company may face legal proceedings and penalties that force the Company to cease Labour Hire Division operations.

As the Company contracts employees to third party clients, it does not have direct corporate or management control over employees, and has limited knowledge of management of WHS risks within the clients' operations. The Company is therefore limited in its ability to carry out continuing assessment and monitoring of WHS risks, has limited control over the management of the risk of a WHS incident, and therefore may have greater exposure to WHS risks and possible WHS claims.

The expansion of the building and construction division of the Company's operations will also increase the risk of a WHS incident as the building and construction industry is considered to have one of the highest level of WHS employment risk.

To mitigate this risk, the Company has workplace policies and procedures in place to systematically manage risks arising from workplace hazards. These policies include effective consultation and communication with employees about what these risks are, and how they are to be managed, and due diligence and risk checking/monitoring on all clients.

The Company also has comprehensive insurance to mitigate the financial effect that may arise from an incident or claim.

**(b) Reliance on Major Clients**

The Company's Labour Hire Division has been operating for over 5 years (since 2011) and has an established and consistent client list which utilise its labour hire services. A large percentage of the Company's Labour Hire Division's revenue is derived from its top 10 clients. If a major client has a financial failure and has a sizeable outstanding debt to the Company, and that debt ultimately becomes a bad debt, this may cause financial stress on the Company. The Company mitigates this risk through debtor insurance, debtor management and debtor limits.

There is also a risk to the sales of the business if any one, or a number of these top clients ceases to use the Company's services, or significantly reduces their labour hire requirements due to financial failure or reduced labour requirements. To mitigate this risk, the Company has continued to increase its client base in Australia (including the eastern states) to reduce the effects of the loss of revenue from any existing clients.

Terra Firma has only operated since 2015, and GO2 Building has only operated since 2016 and neither have yet established a consistent client list for the use of their building and construction services. A large percentage of the Expanded Building Division's revenue will be derived from its top 10 clients. If a major client has a financial failure and has a major outstanding debt to the Company that ultimately becomes a bad debt, this may cause financial stress on the Company. The Company will mitigate this risk by taking upfront building deposits, builder/developer guarantees and liens, insurance, debtor management and debtor limits.

There is also a risk to the building revenue of the business if a number of the Expanded Building Division's top clients ceases to use their services or significantly reduces the amount of construction they contract to Terra Firma or GO2 Building. To mitigate this risk, Terra Firma and GO2 Building will continue to look to increase their client base and the types of construction, (residential and 'Over 55' housing, rapid build low cost smart residential, and mining site building) to reduce the effects of the loss of sales from any existing clients.

**(c) Building/Construction Industry Volatility**

The Company's Labour Hire Division and the proposed building and construction businesses (Terra Firma and GO2 Building) are highly dependent on the activities of the construction and building industry (including major infrastructure, residential, non-residential, commercial building and construction) in Australia. The industry can be cyclical and sometimes volatile, and is highly sensitive to a broad range of economic and other factors that may be beyond the Company's control. Factors include general economic and market conditions, housing demand from population growth, demographic trends, commercial leasing market conditions and commercial and industrial site vacancy levels, present and future governmental infrastructure investments, general housing prices, housing interest rates, inflation/deflation, government and/or Reserve Bank lending policies in relation to residential housing construction, land releases, energy and environment requirements and regulations, income tax rates, employment levels, jobs growth, personal income levels, consumer spending, business and consumer confidence including homebuyers, commercial property developers and investors.

The Company will be affected by the level of construction activity in Australia, and the rise and fall of property prices. Any lower levels of construction or building activity, or reduction in property prices as a result of the above factors, or others, could lead to a significant reduction in the Company's future revenues and profits.

The Company is looking to mitigate this risk by diversifying its offering both within the construction industry, and also in other potential industries such as health and aged care, maintenance and IT. The Company also has an advisory board, that will assist in tracking and assessing the risks and trends of the industry.

**(d) Industrial Relations Risk**

The Company's main business of labour hire may be significantly affected by any adverse changes to industrial relations laws, regulations and rules. This may increase employee costs, reducing an already thin operating margin within the labour hire industry. Any industrial relations changes may also have a significant effect on clients of the Company, forcing them to reduce the number of workers that they contract. The Company may also be subject to industrial action and disputes from trade unions, which may cause a disruption to the Company's operations, and may harm the Company's reputation and adversely impact financial performance.

The Company will look to mitigate this risk by diversifying its offering, both within the construction industry, and also outside the industry, in prospective industries that may experience different impacts from industrial relations changes, such as health and aged care, maintenance, and IT. The Company also has an advisory board, that will advise on, and assist in managing any changes in industrial relations, and will also advise on union and human relations matters.

**(e) Additional Requirements for Working Capital**

The cashflow requirements of the Company depend on a number of factors. Depending on the ability of the Company to generate income from its operations, and on the timing of cash receipts and payment due (cashflow management), the Company may require further financing in addition to amounts raised under this Prospectus, including bank overdrafts, debtors factoring/financing and further capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may experience cashflow tightness.

As the main business of the Company is labour hire, it will be required to pay labour costs consistently in a short period of time, payroll weekly/fortnightly, and PAYG/BAS and financing costs monthly, but may not receive payment from its clients (debtor's collection) for more than 30 days. This will require strict cashflow management by the Company.

The Company has mitigated this risk by having a facility with Scottish Pacific for debtor finance, which requires the Company to comply with strict rules regarding creditworthiness of clients. The Company has also appointed a chief financial officer to oversee cashflow management and to manage debtors and debtor controls.

The Expanded Building Division will generally be required to pay for materials and labour prior to finishing a project, and the Company will need to rely on finance and prepayments from clients to manage cashflow.

Additionally, the Company's financial reports for the period to 30 April 2017 provided emphasis to a material uncertainty about the Combined Group's ability to continue as a going concern. Refer to Section 7.2 for further information. This emphasis of matter was made on the basis of the Combined Group's financial position at 30 April 2017, and prior to the Company raising a minimum of \$10 million under the Offer.

**(f) Technology Disruption**

The labour hire industry may experience disruption from the use of new technologies that may reduce the number of workers required by the Company's clients. New technologies (such as labour locating and engagement applications) allow labour hire clients to more easily engage with employees, which may reduce the need for external labour hire. While technology based labour hire applications may not serve all outcomes required from labour hire services, such as industrial relations, occupational health and safety, and onboarding, the Company may suffer a reduction in demand for their labour hire services, which may have an adverse effect on the Company's financial performance.

Industries in which the building businesses compete may be subject to disruptive changes from new technologies for the building of Rapid Build, Smart Homes. If the building businesses are unable to continue to develop technologies or gain access to new technologies and anticipate or respond to disruptions in the markets they compete in, the Company may suffer a reduction in demand for their building services which may have an adverse effect on the Company's financial performance.

**(g) Key Management/Employee/Staff Risk**

There is a risk that, where there is a turnover of key staff who have knowledge of business processes, that knowledge will be lost upon those staff resigning or retiring. This risk relates to information in respect of the present Labour Hire Division, as well as in respect of Terra Firma and GO2 Building, and incorporates the opportunity cost for replacement of those staff, and the cost of subsequent training.

This risk is mitigated by the fact that management of the Labour Hire Division, Terra Firma and GO2 Building have historically had low levels of turnover, and most management positions can be covered by internal staff. The businesses do not have a high degree of intellectual knowledge that would be lost if any key management or employee resigned or retired. This risk is further mitigated by the fact that a number of key management personnel have significant shareholdings in the Company, which aligns their interests with that of Shareholders.

**(h) Competition**

The Labour hire business is considered a competitive, low margin business, and the size of the market can be affected by over-supply or the entrant of too many new entrants, or a large competitor. The initial investment required and the cashflow requirements are difficult for new entrants, and create some barriers to easy entry into the market. There are only a small number of labour hire companies of similar size to the Company (in terms of revenue and number of employees).

The building/construction business is considered to operate in a competitive market. The entrance of too many competitors into the present early stage market of Rapid Build Smart Homes may make it difficult for the Expanded Building Division to sufficiently grow its revenue. There have been a number of business failures, corporate administrations, reconstructions and liquidations in the housing, building and construction industry in the past 5 years.

There is no assurance that the Company will be able to compete effectively with existing and new competitors in the future. Increased competition in the industry may reduce sales and selling prices and profit margins and may adversely affect the Company's performance. There is also the risk that a competitor could concentrate on the Rapid Build, Smart Homes, and 'Over 55' market creating further competition for the Company. This may adversely affect the Company's financial performance and impact Shareholder returns.

**(i) Reputation Risk**

The reputation of The GO2 People, Terra Firma and GO2 Building has been a key advantage of the Company. The reputation and value associated with this reputation could be adversely affected by a number of factors including a WHS incident, disputes or litigation with third parties, employees, suppliers or clients, or adverse media coverage (including social media) or other circumstances including those beyond the direct control of Company. The labour hire industry and building and construction industries rely heavily on the reputation of the supplier, and any loss of reputation of the Company or its businesses could result in a reduction in revenue and may have an adverse impact on the Company's performance.

**(j) Contractual Risk**

The ability of the Company to achieve its stated objectives as they relate to the building businesses will depend in part on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

However, the only conditions precedent outstanding for settlement of the Acquisitions is the Company receiving conditional approval from the ASX to be admitted to the Official List. The Company therefore believes the risk of these Acquisitions failing to settle upon the Company achieving Official Quotation, is minimal.



**(k) Liquidity Risk**

On settlement of the Acquisitions, the Company proposes to issue the consideration Shares to the Terra Firma Vendor and the GO2 Building Vendors. The Company has also issued Shares to seed investors at a reduced issue price, and previously issued Shares to the owners of the GO2 Recruitment Trust and GO2 Australia Pty Ltd. The Directors understand that the ASX may treat these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions may be made to the ASX to apply for cash formula relief in respect of these Shares.

Based on the post-Offer capital structure (assuming no further Shares are issued), the percentage of Shares which are likely to be escrowed for up to 24 months from the date of quotation will equate to approximately 51.11% of the issued Share capital on an undiluted basis (assuming a Maximum Subscription under the Offer). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

There is no guarantee that an active market in the Shares will develop on listing or that the price of the Shares will increase on the commencement of trading, and no guarantee that the Shares will maintain their value in the future. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

**(l) Risk of High Volume of Share Sales**

If settlement of the Acquisitions occurs and the Offer under this Prospectus is completed, the Company will have issued a significant number of Shares to various parties. Some of the Terra Firma Vendor or GO2 Building Vendors and others that receive Shares as a result of the Acquisitions or the Offer may not intend to continue to hold those Shares and may wish to sell them on the ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the Offer.

**(m) Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including interest rates, building and construction indexes, the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

**(n) Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, WHS claims, occupational health and safety claims, employee claims, union disputes, and construction and building faults claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.



**(o) Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations for building material;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

**(p) Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour and union unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**(q) Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, or businesses that are complementary to the Company's businesses. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and client and supplier relationships.

The Company will actively seek to make various acquisitions (including completion of the acquisitions of Terra Firma and GO2 Building) where it believes there is scope to improve the underlying value of the Company and to further strategic goals. There are inherent risks with acquisitions including the risk that the acquired assets do not fulfill the acquisition criteria. Furthermore, it might be the case that the acquisitions require significant improvement in order to increase yields. There are risks with undertaking improvements, including possible delays and cost overruns, which may negatively impact on the financial performance of the Company and potentially impact Shareholder returns.

The settlement of acquisitions by the Company will normally be subject to customary conditions, including satisfaction of due diligence and vendor performance requirements. Any inability to complete the acquisitions or to complete within anticipated time frames, may harm the Company's financial results and ability to pay dividends. Any inability on the part of the management of the Company to implement the acquisitions effectively may similarly harm the Company's financial results.

**(r) Leverage Risk**

The Company will use debt, as required, to assist in managing labour hire, making investments in new businesses, funding building and development projects, subject to an appropriate gearing ratio (net debt/shareholders equity ratio) range in the Company. If prevailing interest rates or other factors at the time of a refinancing result in higher interest rates on such refinancing the interest expense would increase, which could harm the operating results of the Company and its ability to pay dividends.

**(s) Taxation changes**

An investment in Shares involves tax considerations which differ for each Shareholder dependent on their individual financial affairs. Each prospective investor is encouraged to seek independent financial advice about the consequences of acquiring shares, pursuant to the offer, from a taxation viewpoint and generally. Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted, may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. To the maximum degree permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

**(t) Australian Accounting Standards**

Australian Accounting Standards are set by the AASB and are outside the Company's control and the control of the Directors. The AASB is due to introduce new or refined Australian Accounting Standards during the period from 2017 to 2018, which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could adversely affect the financial performance and position reported in Company's consolidated financial statements.

**(u) Inability to Pay Dividends or Make Other Distributions**

The ability for future dividends or other distributions to be paid by the Company will be contingent on its ability to generate profits. Furthermore, to the extent that the Company pays any dividends, the ability to offer fully franked dividends is contingent on making taxable profits. Taxable profits may be volatile, making the payment of dividends unpredictable. The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.



# FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

## 7.1 Introduction

### 7.1.1 Overview of the Combined Group

The GO2 People entity was incorporated on 30 November 2016 to become the ultimate parent entity of The GO2 Group. Following the settlement of the Acquisitions, The GO2 People will own 100% of the following subsidiaries:

- GO2 Recruitment Pty Ltd as trustee for the GO2 Recruitment Trust;
- GO2 People Australia Pty Ltd;
- Terra Firma Constructions Pty Ltd; and
- GO2 Building Pty Ltd.

In the view of the Directors, control of the GO2 Group before and after the Acquisitions will not change and thus the Acquisitions do not constitute a Business Combination under AASB 3 Business Combinations.

### 7.1.2 Combined Historical Financial Information

The Combined Group consists of the following two entities;

- GO2 Recruitment Pty Ltd as trustee for the GO2 Recruitment Unit Trust; and
- Terra Firma Constructions Pty Ltd.

GO2 Recruitment and Terra Firma are companies limited by shares, incorporated and domiciled in Australia.

The combined historical financial information only includes the financial position and performance of GO2 Recruitment and Terra Firma. The operations of The GO2 People, GO2 Australia and GO2 Building were not material to the Combined Group prior to 30 April 2017.

The historical financial information, which appears in this Section, has been extracted from a Combined General Purpose Financial Report that was prepared to reflect the position that would have been in place had all of the entities forming part of the Combined Group been subsidiaries of The GO2 People for the years ended 30 June 2015 and 30 June 2016, the half-year ended 31 December 2016 and the ten-month period ended 30 April 2017. The figures were compiled from the accounting records of the individual entities which comprise the Combined Group. Any inter-group balances and transactions that were identified were eliminated in the compilation of the Combined Group's financial reports.

The combined historical financial information contained in this section has been prepared by the Combined Group. The financial information includes the following information:

- Combined historical statements of comprehensive income for the financial years ended 30 June 2015 (FY2015) and 30 June 2016 (FY2016);
- Combined historical statements of comprehensive income for the six months ended 31 December 2015 (HY2015) and 31 December 2016 (HY2016);
- Combined historical statements of comprehensive income for the ten months ended 30 April 2016 (10M2016) and 30 April 2017 (10M2017);
- Combined historical statements of cashflow for FY2015 and FY2016;
- Combined historical statements of cashflow for HY2015 and HY2016;
- Combined historical statement of cashflow for the 10M2017 and 10M2016;
- Combined historical statements of financial position for FY2015 and FY2016;
- Combined historical statements of financial position for HY2016; and
- Combined historical statements of financial position for the 10M2017,

(together the **combined historical financial information**).

The combined historical financial information has been audited (FY 2015 and FY 2016) or reviewed (HY 2015, HY 2016, 10M2017 and 10M2016) by William Buck Audit. William Buck Audit has issued unqualified opinions and review conclusions in relation to the audit and review of the combined historical financial information. However, a material uncertainty paragraph in respect of the going concern assumption of the Combined Group was included in all reports issued by William Buck Audit. This is further discussed under the summary of significant accounting policies at section 7.2.

The historical financial information presented in this section should be read in conjunction with the Investigating Accountants Report, the business overview set out in section 3, key risks set out in section 6 and other information contained in this Prospectus. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in the tables are presented in Australian dollars unless otherwise noted.

### **Basis of Preparation and Presentation of the Combined Historical Financial Information**

The directors are responsible for the preparation and presentation of the combined historical financial information

The combined historical financial information comprises the financial statements of the separate legal entities GO2 Recruitment and Terra Firma. These entities are subject to common control through common Directors and shareholders and operate as a combined group. This combined historical financial information aggregates the financial information of each separate legal entity, eliminating inter-company transactions. For the purpose of the combined historical financial information, no single entity is identified as a parent entity for accounting purposes and accordingly these combined financial statements are not prepared under the consolidation principles as defined in AASB 10 – Consolidated Financial Statements.

The combined historical financial information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance and cashflows of the Combined Group for FY 2015, FY 2016, HY2015, HY2016, 10M2017 and 10M2016.

The combined historical financial information has been prepared in accordance with the recognition and measurement principles in Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which is consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board.

The combined historical financial information is presented in abbreviated form and does not include all of the presentations, disclosures, statements and comparative information as required by AAS applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The significant accounting policies of the Company relevant to the Financial Information are set out below. Accounting policies have been consistently applied throughout the periods presented.

### 7.1.3 Pro-forma Historical Financial Information

The pro-forma historical financial information includes the following pro-forma transactions:

- a) On 28 April 2017, The GO2 People acquired all of the units in The GO2 Recruitment Trust for consideration of 15,000,000 Shares.
- b) On 16 June 2017, The GO2 People acquired GO2 Australia for consideration of 34,000,000 Shares, valued at \$5,100,000. Where possible and appropriate new contracts for provision of labour will be executed by GO2 Australia, to complement its existing relationships.<sup>1</sup>
- c) If this Offer is successful the GO2 People will acquire Terra Firma and GO2 Building. These entities will be acquired by The GO2 People through the issue of 3,000,000 Shares to acquire GO2 Building and 2,500,000 Shares, and cash consideration of \$150,000, to acquire Terra Firma.<sup>1</sup>
- d) As part of the consideration for the acquisition of the GO2 Recruitment Trust and Terra Firma by the GO2 People, the amounts previously owed by the unit holders and Director are not being collected under the terms of the Acquisition and as such these obligations have been transferred to the common control reserve. These amounts had a value of \$2,754,778.
- e) Prior to the Offer, The GO2 People issued 3,333,333 shares at an issue price of \$0.15 to raise seed capital of \$500,000.
- f) As part of the Offer, The GO2 People plans to issue up to 60,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$10,000,000 and a maximum of \$12,000,000 excluding costs. Costs of the Offer are estimated to be \$1,000,000 for the Minimum Subscription and up to \$1,200,000 for the Maximum Subscription.
- g) The GO2 People will use \$3,843,414 of proceeds received from the Offer to repay amounts owing to the Australia Taxation Office (ATO) that are currently subject to a payment plan.
- h) The GO2 People Ltd have issued 15,000,000 options under the terms noted in Section 3.8 of this Prospectus. The options have been valued using the Black-Scholls Options Pricing Model. An expense and a share based payment reserve has been recorded in the pro-forma statement of financial position for \$1,580,701.

<sup>1</sup> The difference between the net assets acquired and the value of the consideration paid by The GO2 People Ltd has been recognised in the common control reserve



The GO2 People has elected to account for the Acquisitions as common control transactions. As a consequence, no acquisition accounting in the form of a purchase price allocation was undertaken and the assets and liabilities have not been remeasured to fair value nor has any goodwill arisen. All of the assets and liabilities to be acquired by The GO2 People as a result of the acquisition have been recognised at values consistent with the carrying value of those assets and liabilities immediately prior to the transaction. The excess fair value of the purchase consideration over the carrying value of assets and liabilities has been recorded as a "common control reserve".

Collectively the combined historical financial information and the pro-forma historical financial information can be referred to as the financial information.

#### **Basis of Preparation and Presentation of the Pro-forma Historical Statement of Financial Position**

The pro-forma historical financial information has been prepared for the purpose of inclusion in this Prospectus. Accordingly, the pro-forma historical financial information has been derived from the reviewed combined historical statement of financial position as at 30 April 2017 and adjusted for the effects of the pro-forma adjustments described in section 7.1.3, to reflect the Combined Group's capital structure, which will be in place following listing, as set out in the Key Information Section.

Refer to the notes to the financial statements below for a reconciliation between the combined statement of financial position and the pro-forma historical consolidated statement of financial position as at 30 April 2017.

Due to its nature, the pro-forma historical financial information does not represent The GO2 People's actual or prospective financial position.

## STATEMENT OF COMPREHENSIVE INCOME OF THE COMBINED GROUP

	30 JUNE 2015	30 JUNE 2016	30 APRIL 2017	30 APRIL 2016	31 DEC 2016	31 DEC 2015
	\$ AUDITED	\$ AUDITED	\$ REVIEWED	\$ REVIEWED	\$ REVIEWED	\$ REVIEWED
Revenue	20,815,052	38,315,843	27,840,116	34,411,253	15,475,457	26,512,086
Cost of goods sold	(18,004,173)	(33,100,547)	(24,644,857)	(29,821,016)	(13,866,381)	(22,981,054)
<b>Gross Profit</b>	<b>2,810,879</b>	<b>5,215,296</b>	<b>3,195,259</b>	<b>4,590,237</b>	<b>1,609,076</b>	<b>3,531,032</b>
Employee benefits expenses	(1,161,034)	(1,611,937)	(1,607,596)	(1,392,785)	(926,030)	(836,795)
Depreciation expenses	(120,610)	(183,410)	(138,870)	(108,661)	(76,099)	(62,351)
Finance costs	(348,071)	(793,809)	(458,389)	(519,823)	(265,768)	(356,504)
Other expenses	(834,408)	(1,396,285)	(1,048,940)	(949,200)	(649,686)	(557,150)
<b>Profit before impairment loss and tax</b>	<b>346,756</b>	<b>1,229,855</b>	<b>(58,536)</b>	<b>1,619,768</b>	<b>(308,507)</b>	<b>1,718,232</b>
Impairment loss	(754,517)	-	(290,805)	-	(266,156)	-
<b>Profit before income tax</b>	<b>(407,761)</b>	<b>1,229,855</b>	<b>(349,341)</b>	<b>1,619,768</b>	<b>(574,663)</b>	<b>1,718,232</b>
Income tax expense	(78,362)	(76,392)	(72,355)	(42,286)	(1,739)	(24,305)
<b>Profit / (loss) for the year</b>	<b>(486,123)</b>	<b>1,153,463</b>	<b>(421,696)</b>	<b>1,577,482</b>	<b>(576,402)</b>	<b>1,693,927</b>
Other Comprehensive Loss, Net of Tax	-	-	-	-	-	-
<b>Total Comprehensive Profit / (Loss) for the Year</b>	<b>(486,123)</b>	<b>1,153,463</b>	<b>(421,696)</b>	<b>1,577,482</b>	<b>(576,402)</b>	<b>1,693,927</b>
<i>Attributable to:</i>						
Beneficiaries of the Trust	(668,967)	975,216	(590,423)	1,478,813	(580,456)	1,637,213
Owners of the Company	182,844	178,247	168,727	98,669	4,054	56,714
	(486,123)	1,153,463	(421,696)	1,577,482	(576,402)	1,693,927

## STATEMENTS OF CASHFLOWS OF THE COMBINED GROUP

	30 JUNE 2015	30 JUNE 2016	30 APRIL 2017	30 APRIL 2016	31 DEC 2016	31 DEC 2015
	\$ AUDITED	\$ AUDITED	\$ REVIEWED	\$ REVIEWED	\$ REVIEWED	\$ REVIEWED
<b>Operating activities</b>						
Receipts from customers	22,993,088	39,979,458	29,562,759	34,629,656	15,990,563	20,990,429
Payments to suppliers, employees and GST	(21,714,746)	(37,161,591)	(30,462,799)	(32,461,027)	(18,082,786)	(23,468,503)
<b>Net cash generated by / (used in) operating activities</b>	<b>1,278,342</b>	<b>2,817,867</b>	<b>(900,040)</b>	<b>2,168,629</b>	<b>(2,092,223)</b>	<b>(2,478,074)</b>
<b>Investing activities</b>						
Purchase of property, plant and equipment	(82,670)	(143,634)	(57,547)	(139,225)	(20,820)	(124,527)
<b>Net cash used in investing activities</b>	<b>(82,670)</b>	<b>(143,634)</b>	<b>(57,547)</b>	<b>(139,225)</b>	<b>(20,820)</b>	<b>(124,527)</b>
<b>Financing activities</b>						
(Repayment of) / proceeds from borrowings	(1,545,878)	(2,488,084)	1,165,122	(1,707,196)	2,060,384	2,660,402
Proceeds received from the issue of share capital	2	-	-	-	-	-
<b>Net cash (used in) / generated by financing activities</b>	<b>(1,545,876)</b>	<b>(2,488,084)</b>	<b>1,165,122</b>	<b>(1,707,196)</b>	<b>2,060,384</b>	<b>2,660,402</b>
<b>Net (decrease) / increase in cash held</b>	<b>(350,204)</b>	<b>186,149</b>	<b>207,535</b>	<b>322,208</b>	<b>(52,659)</b>	<b>57,801</b>
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>548,006</b>	<b>197,802</b>	<b>383,951</b>	<b>197,802</b>	<b>383,951</b>	<b>197,802</b>
<b>Cash and cash equivalents at the end of financial year</b>	<b>197,802</b>	<b>383,951</b>	<b>591,486</b>	<b>520,010</b>	<b>331,292</b>	<b>255,603</b>

## STATEMENT OF FINANCIAL POSITION OF THE COMBINED GROUP

	30 JUNE 2015	30 JUNE 2016	31 DEC 2016	30 APRIL 2017
	\$ AUDITED	\$ AUDITED	\$ REVIEWED	\$ REVIEWED
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	197,802	383,951	331,292	591,486
Trade and other receivables	4,874,418	6,823,581	7,790,476	7,819,405
Other assets	159,372	52,556	464,286	223,598
Other financial assets	1,531,134	1,435,502	2,424,085	2,754,778
<b>TOTAL CURRENT ASSETS</b>	<b>6,762,726</b>	<b>8,695,590</b>	<b>11,010,139</b>	<b>11,389,267</b>
<b>Non-Current Assets</b>				
Plant and equipment	456,625	516,117	460,838	566,783
Total Non-Current Assets	456,625	516,117	460,838	566,783
<b>TOTAL ASSETS</b>	<b>7,219,351</b>	<b>9,211,707</b>	<b>11,470,977</b>	<b>11,956,050</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	1,529,091	2,681,628	2,652,026	2,282,440
ATO payment plan liabilities	2,137,664	4,185,991	2,872,550	3,843,414
Borrowings	2,918,604	1,469,775	5,203,286	4,656,833
Provisions	-	46,087	75,724	86,305
Current tax liabilities	78,362	154,754	93,953	227,109
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,663,721</b>	<b>8,538,235</b>	<b>10,897,539</b>	<b>11,096,101</b>
<b>Non-Current Liabilities</b>				
Borrowings	372,684	312,279	208,191	330,029
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>372,684</b>	<b>312,279</b>	<b>208,191</b>	<b>330,029</b>
<b>TOTAL LIABILITIES</b>	<b>7,036,405</b>	<b>8,850,514</b>	<b>11,105,730</b>	<b>11,426,130</b>
<b>NET ASSETS</b>	<b>182,946</b>	<b>361,193</b>	<b>365,247</b>	<b>529,920</b>
<b>Equity</b>				
Issued units	100	100	100	100
Issued capital	2	2	2	2
Retained earnings	182,844	361,091	365,145	529,818
<b>TOTAL EQUITY</b>	<b>182,946</b>	<b>361,193</b>	<b>365,247</b>	<b>529,920</b>

**PRO-FORMA STATEMENT OF FINANCIAL POSITION OF THE GO2 PEOPLE FOLLOWING COMPLETION OF THE OFFER**

	30 APRIL 2017	PRO-FORMA	PRO-FORMA	NOTES
	\$ COMBINED ENTITY REVIEWED (1)	\$ GO2 PEOPLE LTD MINIMUM SUBSCRIPTION (2)	\$ GO2 PEOPLE LTD MAXIMUM SUBSCRIPTION (2)	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	591,486	6,114,873	7,914,873	(3)
Trade and other receivables	7,819,405	7,819,405	7,819,405	
Other assets	223,598	223,598	223,598	
Other financial assets	2,754,778	-	-	(6)
<b>TOTAL CURRENT ASSETS</b>	<b>11,389,267</b>	<b>14,157,876</b>	<b>15,957,876</b>	
<b>Non-Current Assets</b>				
Plant and equipment	566,783	566,783	566,783	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>566,783</b>	<b>566,783</b>	<b>566,783</b>	
<b>TOTAL ASSETS</b>	<b>11,956,050</b>	<b>14,724,659</b>	<b>16,524,659</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	2,282,440	2,282,440	2,282,440	
ATO Payment plan liabilities	3,843,414	-	-	(4)
Borrowings	4,656,833	4,656,833	4,656,833	
Provisions	86,305	86,305	86,305	
Current tax liabilities	227,109	227,109	227,109	
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,096,101</b>	<b>7,252,687</b>	<b>7,252,687</b>	
<b>Non-Current Liabilities</b>				
Borrowings	330,029	330,029	330,029	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>330,029</b>	<b>330,029</b>	<b>330,029</b>	
<b>TOTAL LIABILITIES</b>	<b>11,426,130</b>	<b>7,582,716</b>	<b>7,582,716</b>	
<b>NET ASSETS</b>	<b>529,920</b>	<b>7,141,943</b>	<b>8,941,943</b>	
<b>Equity</b>				
Issued units	100	-	-	
Issued capital	2	15,450,000	17,250,000	(5)
Share Based Payments Reserve		1,580,701	1,580,701	(8)
Common control reserve	-	(8,308,057)	(8,308,057)	(7)
Retained earnings	529,818	(1,580,701)	(1,580,701)	
<b>TOTAL EQUITY</b>	<b>529,920</b>	<b>7,141,943</b>	<b>8,941,943</b>	

**Notes:**

1. Column 1 represents the reviewed combined position of GO2 Recruitment and Terra Firma at 30 April 2017.
2. Column 3 and 4 represent the pro-forma consolidated statement of financial position of The GO2 People assuming:
  - (a) the Minimum Subscription of \$10,000,000 and the Maximum Subscription of \$12,000,000;
  - (b) events occurring subsequent to 30 April 2017, and as part of the Acquisitions in the Company, including:
    - (i) Issue of 34,000,000 Shares at 15 cents per Share, to acquire GO2 Australia;
    - (ii) the issue of 3,000,000 Shares at 15 cents per Share, to acquire GO2 Building; and
    - (iii) Issue of 2,500,000 Shares at 15 cents per Share, to acquire Terra Firma.
3. Cash assets, comprised of the following:

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Cash balance from combined entity 30 April	591,486	591,486
Cash Balance of Go 2 People Ltd (incl subsidiaries)	16,801	16,801
Seed Raising Proceeds	500,000	500,000
Offer Proceeds	10,000,000	12,000,000
Offer Costs	(1,000,000)	(1,200,000)
Repayment of the amount owed to the ATO under the payment plan	(3,843,414)	(3,843,414)
Payment for Terra Firma acquisition	(150,000)	(150,000)
<b>Cash as per pro-forma statement of financial position</b>	<b>6,114,873</b>	<b>7,914,873</b>

4. As at 30 April 2017, the Company has balances owing and accrued to the ATO of \$3,843,414 that are subject to a payment plan. Should the Offer be successfully completed, the Company will repay the outstanding amount following listing.
5. Issued capital is calculated as follows:

	NO. SHARES	\$
Initial Shares on issue	2	2
Cancellation of the initial Share issue	(2)	(2)
Second Share issue	10,000,000	10,000
Acquisition of 100 units in GO2 Recruitment Trust	15,000,000	15,000
Acquisition of GO2 Australia	34,000,000	5,100,000
Share issue June 2017 (Seed Raising)	3,333,333	500,000
Acquisition of GO2 Building	3,000,000	450,000
Acquisition of Terra Firma	<b>2,500,000</b>	<b>375,000</b>
<b>Balance pre-listing</b>	<b>67,833,333</b>	<b>6,450,000</b>
<b>THE OFFER:</b>		
Capital Raising	50,000,000	10,000,000
Less costs associated with the Offer	-	(1,000,000)
<b>Total Shares of GO2 People post the Offer at Minimum Subscription</b>	<b>117,833,333</b>	<b>15,450,000</b>
Additional capital at Maximum Subscription	10,000,000	2,000,000
Less additional costs incurred	-	(200,000)
<b>Total Shares of GO2 People post the Offer at Maximum Subscription</b>	<b>127,833,333</b>	<b>17,250,000</b>

6. As part of the consideration for the acquisition of the GO2 Recruitment Trust and Terra Firma by the GO2 People, the amounts owed by the unit holders and Director were determined to be part of the cost for the acquisition and as such these obligations have been transferred to the common control reserve.
7. The acquisition of the GO2 Recruitment Trust, GO2 Australia, GO2 Building and Terra Firma has been deemed as a common control transaction under applicable accounting standards. As such, any residual between the fair value of the consideration paid and the net assets of these entities is taken to a common control reserve in equity rather than as an Intangible – Goodwill.
8. The Company has issued Options as noted in section 3.8. These Options have been valued at a cost to the Company of \$1,580,701 using the Black and Scholes method.



## Discussion and analysis of Financial Information

### General factors affecting the operating results

This section discusses general factors which affected the Combined Group's operational and relative financial performance. The discussion of these general factors is intended to provide a summary only and does not detail all factors that have affected the Combined Group's historical operating and financial performance, or everything that could have an impact on its operational and financial performance in the future.

### Sources of Revenue

The Company Sources revenue from two streams, labour hire and construction. For the historical period, revenue was predominately earned in Western Australia and Queensland. Revenue from labour hire is derived through the placement of labour on clients' work sites. The company charges the clients the cost of the labour plus a mark-up. Revenue is recognised when the client is invoiced.

Construction revenue is through the development of residential houses and remote mine site village construction. The projects are competitively tendered and clients invoiced as major milestones are completed.

In the six-month period to 31 December 2016 the company saw a 41% fall in revenue, as compared to the corresponding period to 31 December 2015. This fall is due to the combination of the fall in demand in the resources sector in Western Australia and decrease in Combined Group's business development activities in this sector. Noting this fall in demand the Combined Group increased its business development focus in the general construction sector which has seen improvements in the reporting period post 31 December 2016. Business development activities were also impacted by management's attention in preparing for and dealing with interim requirements of the Offer. A Chief Financial Officer (**CFO**) was appointed in early 2017, in order to allow other members of management to focus more on business development activities.

Although revenue for the 10-month period to 30 April 2017 has decreased by 19.09%, as compared to 30 April 2016, there has been a large increase in the 4-month period 1 January 2017 to 30 April 2017, where \$12.36 million of revenue was reported, as compared to \$7.9 million of revenue for the corresponding period (+56%). This increase is due to the increased works in the construction sectors in both Western Australia and Queensland and a refocus in Western Australia on business development. Two new roles were created to focus on business development which has provided immediate results.

### Cost of Sales – Labour Hire

The cost of sales is predominately wages and superannuation paid to the candidates placed with clients. Additional costs incurred include payroll tax and workers compensation insurance. The candidates are typically on casual contracts, with costs variably incurred and linked to either growth or decline in revenue. Candidates placed will be in specific roles, but such roles vary from manual labour, mobile plant operators and civil construction services.

### Cost of Sales – Construction

The cost of sales related to the construction business includes raw materials, manufacturing costs and labour incurred to construct and develop the house/villages built.

### Gross Profit

The Combined Group's gross profit margin recorded for the financial years ended June 2015 and June 2016 were 13.5% and 13.6% respectively, predominately supported by clients in the mining industry. However as noted above, with decreasing revenues in this space, the Combined Group increased its presence in the construction sector post 30 June 2016. The construction sector has traditionally been more competitive and attracts a lower margin for the services provided. With an increasing revenue percentage from the construction sector, the total margin as a percentage has decreased in the period post 30 June 2016 to 11.5%.

### Employee Benefit Expenses

Employee benefit expenses relate to the management team, the recruitment delivery team and office staff employed by the Combined Group. Costs have increased in the period to 30 April 2017, as compared to 30 April 2016, due to the appointment of two new business development managers in the Western Australian office, a company CFO and the growth of the delivery team to support the revenue growth.

### Other Expenses

Other expenses include general office related costs and overheads. These do not include any expenses incurred in relation to the Offer.

## Statement of Cashflows

### Cashflows from Operating Activities

The operating cashflow for the Combined Group is impacted by the timing of debtor receipts and periods of high growth. As the Combined Group pays its candidates weekly and collects its revenue on average between 30 to 45 days after the end of the month, at certain periods in the year the operating cashflow will be negative, hence the requirement for significant working capital or financing facilities.

During periods of high growth, the Combined Group expects its operating cashflow to be negative until invoices are paid by its clients, which occurs at regular intervals.

Both April 2016 and April 2017 periods were impacted by fluctuations in revenue. April 2016 saw an increase in collections outweighing the payments to suppliers and payroll, resulting in positive operating cashflows. In April 2017, there was an increase in candidates being placed with clients which caused operating outflows to increase. These outflows were not offset by the customers receipts, due to the fact that a number of these payments were not due as at April 2017.

### Cashflows from Financing Activities

These cashflows predominately relate to the Combined Group's debtor financing facility. The GO2 Recruitment Trust has a debtor financing facility with Scottish Pacific. The facility will fund up to 85% of GO2 Recruitment's eligible receivables to assist the working capital, and has a limit of \$10,000,000. A summary of the key terms of this facility agreement are summarised at Section 9.5.

As this facility relates to the debtors on hand, the Company's cashflows from financing activities often has an inverse relationship to the cashflows from operating activities. This is a result of the fact that during periods of high growth, there will be negative operating cashflows but additional drawdowns under the facility as the debtor's balance is high, resulting in a positive cashflow from financing activities. Consequently, when the debtor's repayments are higher than the debtors created during the period, the surplus cashflow is used to reduce the facility in accordance with the facility requirements, resulting in a positive operating activities cashflow and negative cashflow from financing activities.

## Statement of Financial Position

### Impairment of Receivables

In the Directors' opinion, a receivable balance with a related entity, at 30 April 2017 was not recoverable, and so was impaired by \$290,804.

### Trade and other receivable balances

The Combined Group has standard trading terms of 30 days from the end of the relevant month; however, some customers have trading terms of 45 days from the end of the relevant month, which increases the trade receivable balances at the end of the month and reporting periods.

### ATO Payment Plan Liabilities

As at 30 April 2017, the Combined Group has balances owing and accrued to the ATO of \$3,843,414. Of this amount, \$1,486,244 relates to GST amounts owed and \$2,357,170 relates to PAYG owed. The amounts have not been paid to the ATO due to working capital constraints of the GO2 Recruitment Trust. The labour costs are paid within 7 days of cost incurrence, whilst debtors are often paying 45 days after the end of the relevant month, and this funding gap has not been met in full by the GO2 Recruitment Trust's debt facilities.

The Company has an agreed payment plan with the ATO to repay the outstanding amount by 31 December 2017. Should the Offer be successfully completed, the Company will repay the outstanding amount following listing.

### Debt Facilities

As noted earlier, GO2 Recruitment has a debtors financing facility with Scottish Pacific. The facility will fund up to 85% of the Company's eligible receivables to assist with working capital. The facility has a limit of \$10,000,000. GO2 Recruitment has given security over its trade receivables under this facility. A summary of the key terms of this facility agreement are set out in Section 9.5.

## 7.2 Summary of Significant Accounting Policies

### Basis of Preparation

The combined financial information is presented in Australian dollars.

The combined financial information has been prepared on a going concern basis, which assumes the normal continuity of business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### Going Concern

The audited combined historical financial information which is presented in this Financial Information is presented on a going concern basis of accounting. This going concern basis of accounting formed a basis for the independent auditor's material uncertainty on going concern paragraph which was included in the independent auditor's reports to the general purpose financial statements of the Combined Group for the years ended 30 June 2015, 30 June 2016 and in the review conclusions for the half year ended 31 December 2016 and for the 10 month period ended 30 April 2017.

The following statements were made in those financial statements regarding the going concern basis of accounting which are still relevant to the audited historical financial information prepared for this Prospectus.

This combined financial information has been prepared on a going concern basis, notwithstanding the fact that for the 10 months ended 30 April 2017 the Combined Group generated a loss after tax of \$421,696 and incurred net cash outflows from operations of \$900,040. In addition, the Combined Group had amounts owing to the Australian Taxation Office of \$3,843,414. These conditions indicate a material uncertainty that may cast significant doubt about the Combined Group's ability to continue as a going concern. The directors believe that it is appropriate to prepare the accompanying combined financial information on a going concern basis for the following reasons:

- A capital raising in the form of an initial public offering is expected to occur in the second half of calendar 2017 to raise between \$10 million and \$12 million;
- The Company successfully raised seed capital of \$500,000 prior to the issuance of the combined general purpose financial report and this Prospectus.
- The cash flow forecast anticipates increased revenue from sales of services and control of costs, as and where appropriate.

For these reasons, the Directors believe that the assumption of a going concern basis in the preparation of this combined financial information is appropriate. The combined financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets, nor the amounts or classification of liabilities that might be necessary should the Combined Group not be able to continue as a going concern.

### **Revenue Recognition - Other Than Construction Contracts**

Revenue is measured at the fair value of the consideration received or receivable after taking into account discounts.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

### **Revenue Recognition - Construction Contracts**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variation in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable.

### **Construction Contracts - Other**

Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the combined statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the combined statement of financial position under trade and other receivables.

### **Depreciation**

The depreciable amount of all plant and equipment are depreciated on a diminishing value basis over the asset's useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

### Short-term Employee Benefits

Provision is made for the Combined Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Combined Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

### Other Long-Term Employee Benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Combined Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Combined Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### Finance Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Fair Value

The fair value of assets and liabilities are equivalent to their historical cost.

### Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified.

### Recoverability of Receivables

The Combined Group continues to provide against the likelihood of ultimate collectability of trade receivables where appropriate. The combined financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts that might be necessary should the Combined Group's judgments differ from future circumstances.

### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### Provisions

Provisions are recognised when the Combined Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### Leases

Leases of plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Combined Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Combined Group will obtain ownership of the asset, or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### Dividend Policy

The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors, including the general business environment, operating results and the financial condition of the Company.

While it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends, at the Prospectus Date, the Company does not intend, or expect, to declare or pay any dividends in the immediately foreseeable future, given that the focus will be on long term growth.

### Related Party Arrangements

Details of related party arrangements, including remuneration contracts with key management personnel, are disclosed in Section(s) 9.11 and 9.12 of this Prospectus.

### Contingent Liabilities

As at 30 April 2017 the Combined Group had no contingent liabilities that are material to the Financial Information presented in this Prospectus.

### **Critical Accounting Estimates and Judgments**

The preparation of the combined financial information requires management to make judgments, estimates and assumptions that affect the reported amounts in the combined financial information. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

### **Acquisition of Subsidiaries Under Common Control**

In the view of the Directors, control of the Combined Group before the transaction and also after the acquisition of the subsidiaries by The GO2 People has not changed and thus the transaction does not constitute a Business Combination under AASB 3 Business Combinations. In the view of the Directors, the key shareholdings of both Abilio Ferriera and Paul Goldfinch combined, allow the two Directors to control the Combined Group both before and after the Acquisitions and prior to the injection of new capital into the Combined Group.

As such, The GO2 People has elected to account for the Acquisitions of the entities and net assets acquired as common control transactions. As a consequence, no acquisition accounting in the form of a purchase price allocation was undertaken and the assets and liabilities have not been remeasured to fair value nor has any goodwill arisen. All of the assets and liabilities acquired by The GO2 People as a result of the re-structure were recognised at values consistent with the carrying value of those assets and liabilities immediately prior to the transaction. The excess fair value of the purchase consideration over the carrying value of assets and liabilities has been recorded as a "common control reserve".



## 7.3 Investigating Accountants Report



1 August 2017

The Directors  
The GO2 People Ltd  
10 Belmont Avenue  
Belmont, WA 6104

Dear Directors,

**Independent Limited Assurance Report on The GO2 People Ltd historical and pro-forma historical financial information**

William Buck has been engaged by The GO2 People Ltd to report on the combined historical financial information of the Combined Group and the pro-forma historical financial information of the Combined Group for inclusion in a Prospectus document dated on or around 1 August 2017 and relating to the issue of a minimum of 50,000,000 shares, and up to a maximum of 60,000,000 shares in the Company ("the Prospectus").

Expressions and terms defined in the Prospectus have the same meaning in this report.

**Scope**

*Combined historical financial information*

You have requested William Buck to review the following combined historical information of the Combined Group included in the Prospectus:

- The combined historical statements of comprehensive income for the financial years ended 30 June 2015 and 30 June 2016; the six-months ended 31 December 2015 and 31 December 2016; and for the ten month periods ended 30 April 2016 and 30 April 2017;
- The combined historical statements of financial position as at 30 June 2015, 30 June 2016, 31 December 2016 and 30 April 2017; and
- The combined historical statements of cash-flows for the years ended 30 June 2015 and 30 June 2016; the six-months ended 31 December 2016; and for the ten month period ended 30 April 2017.

The combined historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, which are disclosed in the financial information section of the Prospectus document. The combined historical financial information has been extracted from the combined general purpose financial reports of the Combined Group for the years ended 30 June 2015, 30 June 2016, the half-year ended 31 December 2016 and for the ten month period ended 30 April 2017 which were audited or reviewed by William Buck in accordance with the Australian Auditing Standards.

**CHARTERED ACCOUNTANTS  
& ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)



William Buck issued unmodified audit opinions or review conclusions, however, emphasis was drawn to a material uncertainty in respect of the going concern assumption in all audit reports issued, as disclosed in the financial information section of the Prospectus. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### *Pro-forma historical financial information*

You have requested William Buck to review the pro-forma historical statement of financial position as at 30 April 2017 referred to as "the pro-forma historical financial information".

The pro-forma historical financial information has been derived from the historical financial information of the Combined Group, after adjusting for the effects of pro-forma adjustments described in the financial information section of the Prospectus document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the combined historical financial information and the events and transactions to which the pro-forma adjustments relate, as described in the financial information section of the Prospectus document, as if those events or transactions had occurred as at the date of the combined historical financial information. Due to its nature, the pro-forma historical information does not represent the Company's actual or prospective financial position or financial performance.

#### **Directors' responsibility**

The directors of the Company are responsible for the preparation of the combined historical financial information and pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the combined historical financial information and included in the pro-forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the combined historical financial information and the pro-forma historical financial information that are free from material misstatement, whether due to fraud or error.

#### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Accounting Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

### **Conclusions**

#### *Combined historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the combined historical financial information, as described in the financial information section of the Prospectus document, and comprising:

- The combined historical statements of comprehensive income for the financial years ended 30 June 2015 and 30 June 2016; the six-months ended 31 December 2015 and 31 December 2016; and for the ten month periods ended 30 April 2016 and 30 April 2017;
- The combined historical statements of financial position as at 30 June 2015, 30 June 2016, 31 December 2016 and 30 April 2017; and
- The combined historical statements of cash-flows for the years ended 30 June 2015 and 30 June 2016; the six-months ended 31 December 2016; and for the ten month period ended 30 April 2017.

is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the financial information section of the Prospectus document.

#### *Pro-forma historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro-forma historical financial information being the pro-forma historical statement of financial position as at 30 April 2017 is not presented fairly in all material aspects, in accordance with the stated basis of preparation as described in the financial information section of the Prospectus document.

### **Restriction on Use**

We disclaim any assumptions of responsibility for any reliance on this report or on the prospective financial information to which this Report relates for any purpose other than the purpose for which it was prepared. This report should be read in conjunction with the Prospectus.

**General Advice Limitation**

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

**Independence**

William Buck does not have any interest in the outcome of the issue of shares other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

**Consent**

William Buck has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included. At the date of this report our consent has not been withdrawn. William Buck makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

William Buck has not authorised the issue of the Prospectus and our report should not be taken as an endorsement of the Company or a recommendation by William Buck of any participation in the share issue by any intending investors.

Yours faithfully,

**William Buck (Vic) Pty Ltd**  
ABN 59 116 151 136

A handwritten signature in dark ink, appearing to read "Liz Smith", written over a light blue horizontal line.

**Liz Smith**  
Director

Dated in Melbourne, this 1 August, 2017



# BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

## 8.1 Directors and Key Personnel

### **Darren Cooper**

*Independent Non-Executive Chairman*

Darren Cooper spent in excess of 20 years with various companies in management and senior executive roles.

Darren is a Past President and Life Member of the Urban Development Institute of Australia (**UDIA**) in Western Australia, and a past Vice President of UDIA National.

Darren currently advises Boards in the property development and telecommunications industries, and chairs the Board of a private property development enterprise. Darren is also a director of Nature Play WA Inc., a Perth-based not-for-profit organisation.

Darren has a Bachelor of Business from Curtin University, a Masters of Applied Finance from Macquarie University, and is a graduate of the company directors course at the Australian Institute of Company Directors.

The Board considers Mr Cooper to be an independent Director, as he is not an executive member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board.

### **Billy Ferreira**

*Managing Director*

Billy is a proven senior manager and entrepreneur with a strategic, disciplined and practical approach.

After completing 5 years in the Australian Military in 2000 and undertaking a leadership role in the UK with London's exclusive health club, Next Generation, Billy gained valuable experience in construction as the General Manager of a residential building business in 2005-6 in Adelaide, South Australia. From here, Billy became a part of the senior management group of the then privately owned, Australian Portable Buildings (**APB**), in Sydney, New South Wales.

After a venture capitalist acquisition in 2007, Billy relocated to Perth, Western Australia and become an integral part of growing the business into a new territory. It was here that Billy was exposed, as a client, to the Labour Hire industry. Billy co-founded GO2 Recruitment in 2011 with Paul Goldfinch.

Billy is a graduate of the company directors course at the Australian Institute of Company Directors.

Mr Ferreira is not considered to be independent due to his executive role as Managing Director of the Company and his interest in securities in the Company.



## Doug Grewar

### *Non-Executive Director*

Doug holds a Bachelor of Business Degree and a Master's Degree in Mineral Economics with distinctions. He is a Fellow of the Australian Institute of Mining and Metals and a graduate of the Australian Institute of Company Directors.

Doug has built a career in the resources and civil construction sectors over 30 years holding board and senior management positions in private and ASX listed mining services companies and resource businesses.

In recent years he has consulted to industry as a turnaround, restructuring expert. His primary role has been to provide strategic pathways for businesses to recapitalise and restructure to obtain best outcomes for stakeholders. To complete company workouts, Doug often assumes a board role and guides companies through the restorative process. At times, voluntary administration provides the only solution to return residual values. Doug's experience in coaching and guiding boards and senior management through this process has been invaluable for his clients. In the course of this work, he has been a Director of Hughes Drilling, where he was engaged from July 2016 to September 2016, when the company entered voluntary administration. He was also engaged as a director of Viento Group Limited from March 2015 to October 2015, when the company entered voluntary administration.

Doug was the Managing Director of ASX listed DGO Gold Limited from June 2008 to July 2010, and the Managing Director of MACA Limited from October 2012 to May 2014. Doug is currently the sole director of VCS Holdings, the parent company of VCS Civil and Mining Pty Ltd, which has been and continues to be a client of GO2 Recruitment.

Mr Grewar is not considered to be independent due to his interest in VCS Holdings, which, as mentioned above, is the parent company of a material client of GO2 Recruitment.

## Management and Consultants

### Paul Goldfinch

#### *Head of Investor Relations and Growth*

Paul is a proven senior manager and entrepreneur with a practical background in the labour hire and construction industries.

Paul is a trade qualified carpenter who utilised his practical experience to transition into a business development role in the United Kingdom, with the largest supplier of personnel to the live events industry in Europe, Gallowglass. Following considerable success in this role, Paul was head hunted by a national recruitment/labour hire business to assist in the start-up and growth of their Western Australian operation. After succeeding in his state based managerial role, Paul was promoted to National Business Manager, responsible for the smooth operation of offices in 3 Australian states. Paul's entrepreneurial spirit and desire for greater success led him to pursue his vision of starting GO2 Recruitment with Billy Ferreira.



**Christopher Streat***Head of Building*

Chris is a self-driven construction professional and holds both a building practitioners and building contracting licence (BL 14567). Drawing on 15 years construction experience, Chris has managed projects in the residential housing, commercial and remote/modular housing sectors.

Starting on the tools as a carpenter Chris has worked his way up through building supervisory and construction management roles, to develop a solid understanding of the fundamentals of construction. Chris has a passion for alternative building products and innovative design and construction methodology which he integrates with his knowledge of the construction industry.

**Ross Lovell***Head of Labour Hire*

Ross has both national and international management exposure gaining financial and business operations skills with strong focus on being a mentor and coach for leading high performing teams.

Over the past 17 years, Ross has built a vast people network in both the private and public sectors and is a proven project manager working in all facets of the maintenance and construction fields. Recent experience has seen Ross in a general manager role leading a group of companies and 150+ employees.

With intricate knowledge of the many industry sectors, Ross has exposure in mineral and mining resources, upstream and downstream oil and gas, petrochemical, bitumen, water, grain, cement, infrastructure, heavy industrial, defence, health, retail, aviation and commercial industries.

**Matthew Thomson***Chief Financial Officer and Joint Company Secretary*

Matthew joined the Company as Chief Financial Officer and Company Secretary in May 2017. Matthew has a Bachelor of Commerce, Accounting and Finance from the University of New South Wales and is a Chartered Accountant. Having begun his career at Coopers & Lybrand (now PricewaterhouseCoopers) he has over 15 years' experience in senior financial and management accounting roles.

Matthew has been involved in a number of large debt raisings and private equity raisings. He has experience in the mining, civil construction and property development sectors and has led large finance teams in recent roles.

**Peter Torre***Joint Company Secretary*

Peter Torre is the principal of the corporate advisory firm Torre Corporate which provides corporate secretarial services to a range of listed companies. Prior to establishing Torre Corporate, Mr Torre was a partner and Chairman of the National Corporate Services Committee of an internationally affiliated firm of Chartered Accountants working within its corporate services division for over nine years. Mr. Torre is the company secretary of several ASX-listed companies, and previously companies listed on the London and Toronto Stock Exchange. He is a director of ASX listed Mineral Commodities Limited and Volt Power Group Limited.

Mr Torre was also formerly a Director of ASX listed Weststar Industrial Limited. Mr Torre holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and is a member of the Institute of Company Directors.

## 8.2 Disclosure of Interests

With the exception of Billy Ferreira, who has been paid \$22,916 for his role as the Company's managing director, the Company has paid no remuneration to its Board since incorporation to the date of this Prospectus and no remuneration will be paid or will accrue until such time as the Company is admitted to the Official List.

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List, together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in the table below.

DIRECTOR	REMUNERATION	SHARES	OPTIONS
Darren Cooper <sup>1</sup>	\$75,000	Nil	Nil
Billy Ferreira	\$300,000	27,500,000	3,100,000 <sup>2</sup>
Douglas Grewar <sup>3</sup>	\$55,000	Nil	Nil

1 In accordance with his Letter of Appointment, Mr Cooper intends to apply for 100,000 Shares under the Offer. Refer to Section 9.12 for further information.

2 Comprising 800,000 Class B Options and 2,300,000 Class C Options.

3 In accordance with his Letter of Appointment, Mr Grewar intends to apply for 75,000 Shares under the Offer. Refer to Section 9.12 for further information.

## 8.3 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Agreements between the Company and related parties are summarised in Section 9.

### Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

## 8.4 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, our Company has adopted *The Corporate Governance Principles and Recommendations* (3rd Edition) as published by the ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website ([www.theGO2people.com.au](http://www.theGO2people.com.au)).

## Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

## Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

## Identification and Management of Risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

## Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

## Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

## Remuneration Arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

### **Trading Policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

### **External Audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### **Audit Committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

### **Diversity Policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

## **8.5 Departures from Recommendations**

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<b>PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<b>Recommendation 1.1</b> A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p>
<b>Recommendation 1.2</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</li> <li>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</li> </ul>	YES	<ul style="list-style-type: none"> <li>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</li> <li>(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</li> </ul>
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	YES	<p>The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has written agreements with each of its Directors and senior executives.</p>

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
<b>Recommendation 1.5</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary or it; and</li> <li>(c) disclose as at the end of each reporting period:               <ul style="list-style-type: none"> <li>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</li> <li>(ii) either:                   <ul style="list-style-type: none"> <li>(i) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</li> </ul> </li> </ul> </li> </ul>	YES	<ul style="list-style-type: none"> <li>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives and to assess annually both the objectives and the Company's progress in achieving them.</li> <li>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</li> <li>(c) (i) The measurable gender diversity objectives for each financial year, and the Company's progress in achieving them, will be detailed in the Company's Annual Report.                 The Board does not anticipate there will be a need to appoint any new Directors or senior executives due to the limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and if it becomes necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit; and             </li> <li>(ii) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report/on the Company's website.</li> </ul>

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes.</p>



## RECOMMENDATIONS (3RD EDITION)

## COMPLY

## EXPLANATION

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

**Recommendation 2.1**

The Board of a listed entity should:

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director,
 and disclose:
  - (iii) the charter of the committee;
  - (iv) the members of the committee; and
  - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

NO

- (a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.
- (b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:
  - (i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and
  - (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and the ASX Listing Rules.

**Recommendation 2.2**

A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

YES

Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy is available in the Company's Annual Report and on the Company's website.

The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report and on the Company's website.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report and on its ASX website. The Board considers that Darren Cooper (Chair) is independent.</p> <p>(b) There are no independent Directors who fall into this category. The Company will disclose in its Annual Report and ASX website any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent.</p> <p>(c) The Company's Annual Report and website will disclose the length of service of each Director, as at the end of each financial year.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	NO	<p>While the Company's Board Charter requires that, where practical, the majority of the Board should be independent, the Board consider that only one of the three Directors is currently independent.</p> <p>Whilst the Board intend to canvass experienced candidates to be appointed as independent directors in due course, the Board considers that, given the size and scope of the Company's operations, it has the relevant experience and is appropriately structured to discharge its duties.</p>
<p><b>Recommendation 2.5</b></p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company is an independent Director and is not the CEO/Managing Director.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>

## RECOMMENDATIONS (3RD EDITION)

## COMPLY

## EXPLANATION

## PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

**Recommendation 3.1**

YES

A listed entity should:

- (a) have a code of conduct for its Directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

- (a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.
- (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

**Recommendation 4.1**

NO

The Board of a listed entity should:

- (a) have an audit committee which:
  - (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director, who is not the Chair of the Board,

and disclose:

- (iii) the charter of the committee;
  - (iv) the relevant qualifications and experience of the members of the committee; and
  - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

- (a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.
- (b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:
  - (i) the Board devotes time at Board meetings, annually, to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and
  - (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 4.2</b></p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<b>PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE</b>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, the Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Corporate Governance Plan, which incorporates the Board Charter, is available on the Company website.</p>
<b>PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.</p>

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
<b>Recommendation 6.4</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.  Shareholders queries should be referred to the Company Secretary at first instance.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

<b>Recommendation 7.1</b> The Board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</li> </ul>	NO	<ul style="list-style-type: none"> <li>(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.   A copy of the Corporate Governance Plan is available on the Company's website.</li> <li>(b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including that the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</li> </ul>
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RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 7.2</b></p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the company's risk management framework has taken place.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	<p>(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(b) The Company has an internal audit function.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>

## RECOMMENDATIONS (3RD EDITION)

## COMPLY

## EXPLANATION

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

**Recommendation 8.1**

The Board of a listed entity should:

- (a) have a remuneration committee which:
  - (i) has at least three members, a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

NO

- (a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.
- (b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:
 

The Board devotes time at a Board meeting, annually, to assess the level and composition of remuneration for Directors and senior executives.

**Recommendation 8.2**

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.

YES

The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the Company's website.

**Recommendation 8.3**

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

YES

- (a) The Company has an equity based remuneration scheme. The Company has a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.
- (b) A copy of the policy will be provided on the Company's website and in its Annual Report.



9



# MATERIAL CONTRACTS

Set out below is a summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of the particulars of them when making an assessment if whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

## 9.1 Preferred Supplier Agreements

The Company is party to a number of preferred supplier agreements with major clients who frequently require temporary labour hire services. These agreements typically have a term of between 12 and 24 months, and position the company as a preferred supplier of labour hire to that client, either exclusively, or as part of a preferred panel.

Under these agreements, the commercial terms of the provision of labour hire are pre-determined, generally as a cost-plus arrangement with an agreed margin. While each preferred supplier agreement will typically provide an indication as to the likely volume of labour hire that will be required, there is generally no guaranteed minimum, and the Company supplies labour employees to these clients on an as-needs basis.

## 9.2 GO2 Building Agreement

On 16 June 2017, the Company entered into a binding terms sheet with GO2 Building and all of its shareholders (**GO2 Building Vendors**), pursuant to which the Company agreed to buy, and the GO2 Building Vendors agreed to sell, 100% of the fully paid ordinary shares in GO2 Building (**GO2 Building Agreement**). The material terms of the GO2 Building Agreement are as follows:

- (a) (**Consideration**): In consideration for 100% of the fully paid ordinary shares in GO2 Building, the Company has agreed to issue to the GO2 Building Vendors 3,000,000 Shares in equal proportions;
- (b) (**Conditions Precedent**): Settlement under the GO2 Building Agreement is subject to satisfaction of the following conditions precedent:
  - (i) the Company obtaining all necessary shareholder, regulatory and third-party approvals to allow the Company to lawfully comply with its obligations; and
  - (ii) the Company obtaining conditional approval from the ASX for its securities to be admitted to official quotation on the ASX, on conditions deemed acceptable to the Company, on or before 31 October 2017, or such other date as is agreed between the Company and GO2 Building.

The GO2 Building Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

### 9.3 Terra Firma Agreement

On 16 June 2017, the Company entered into a binding terms sheet with Terra Firma and its sole shareholder, Mr Christopher Streat, pursuant to which the Company agreed to buy, and Mr Streat agreed to sell, 100% of the fully paid ordinary shares in Terra Firma (**Terra Firma Agreement**). The material terms of the Terra Firma Agreement are as follows:

- (a) (**Consideration**): In consideration for 100% of the fully paid ordinary shares in Terra Firma, the Company has agreed to provide the following consideration to Mr Streat:
  - (i) 2,500,000 Shares; and
  - (ii) a cash payment of \$150,000 (plus GST, if applicable);
- (b) (**Conditions Precedent**): Settlement under the Terra Firma Agreement is subject to the Company obtaining conditional approval from the ASX for its securities to be admitted to official quotation on the ASX, on conditions deemed acceptable to the Company, on or before 31 October 2017, or such other date as is agreed between the Company and Terra Firma.

The Terra Firma Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

### 9.4 Lead Manager Mandate - JB Advisory

The Company has entered into an agreement with JB Advisory Pty Ltd (**JB Advisory**) dated 15 March 2017, engaging JB Advisory to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms of the Lead Manager Mandate are as follows:

- (a) Under the terms of the Lead Manager Mandate, the Company will pay to JB Advisory:
  - (i) a capital raising fee of 6% (plus GST) of all funds raised under the Offer;
  - (ii) a monthly retainer of \$5,000 (plus GST); and
  - (iii) all reasonable expenses incurred by JB Advisory in the delivery of its services, which will be agreed with the Board prior to being incurred.
- (b) The engagement shall continue until 15 March 2018, unless extended for a further 12-month period.
- (c) The engagement may be terminated at any time by written notice of either party, with or without cause.

### 9.5 Scottish Pacific Loan Facility

On 23 December 2015, GO2 Recruitment, both in its own right, and as trustee for the GO2 Recruitment Trust (**GO2 Recruitment Party**) entered into an agreement with Bibby Financial Services Australia Pty Ltd (ACN 101 657 041) (now, Scottish Pacific (BFS) Pty Ltd) (**Scottish Pacific**), pursuant to which the GO2 Recruitment Party has agreed to assign to Scottish Pacific, all debts owing to it by customers for the sale of goods or provision of services (**Debts**) (**Scottish Pacific Agreement**). The material terms of the Scottish Pacific Agreement are as follows:

- (a) (**Assignment of Debt**): The GO2 Recruitment Party offers to assign to Scottish Pacific:
  - (i) each Debt (present and future) for a purchase price, calculated in accordance with (e) below; and
  - (ii) to the extent possible at law, all of the GO2 Recruitment Party's right, title and interest in the personal information of the relevant customer,

and Scottish Pacific agrees to accept such assignment (other than certain encumbered Debts, acceptance of which is at the discretion of Scottish Pacific), until such time as:

- (iii) the Scottish Pacific Agreement is terminated, and
- (iv) Scottish Pacific has been fully repaid for all outstanding funds owed to it under the Scottish Pacific Agreement or any collateral security;

- (b) **(Term)**: The Scottish Pacific Agreement will, subject to termination by Scottish Pacific pursuant to a termination event, continue until at least 23 December 2017, following which, either party may terminate the agreement by giving notice of no less than 3 months.
- (c) **(Security Interest)**: the GO2 Recruitment Party has agreed to grant to Scottish Pacific a security interest in all Debt, other than certain encumbered Debts
- (d) **(Classified Debt)**: Each Debt will be classified by Scottish Pacific, in its absolute discretion, and after conducting any due diligence it thinks necessary, as either approved debt, or disapproved debt.
- (e) **(Purchase Price)**: The purchase price for each debt is determined as follows:
  - (i) for an approved debt, the purchase price is 85% of the net invoice value; or
  - (ii) for a disapproved debt, the purchase price is the amount that Scottish Pacific receives from the customer for that disapproved debt,

and if a customer pays Scottish Pacific for an approved debt, then the GO2 Recruitment Party is entitled to any amount by which the sum paid exceeds the relevant purchase price.

- (f) **(Funding Limit)**: Scottish Pacific has no obligation to pay any sums to the GO2 Recruitment Party, where to do so would result in funds owing to Scottish Pacific exceeding \$10 million.
- (g) **(Recourse)**: If any approved debts are not repaid to Scottish within 90 days of the last day of the relevant invoice month, the GO2 Recruitment Party must repay the purchase price to Scottish Pacific (less any monies received by Scottish Pacific).

The Scottish Pacific Agreement otherwise contains terms and provisions considered standard for an agreement of this nature.

## 9.6 Lease Agreement – Western Australia

On 1 June 2017, GO2 Recruitment Pty Ltd entered into a commercial tenancy agreement with El Paso Estates Pty Ltd (ACN 008 936 212) (**Lessor**) regarding 10-16 Belmont Avenue, Rivervale in Western Australia (**WA Lease**). The material terms of the WA Lease are as follows:

- (a) **(Rent)**: GO2 Recruitment Pty Ltd has agreed to pay \$130,000 (inclusive of GST) per annum to the Lessor, with annual reviews on 1 June, whereby rent will increase by not less than the consumer price index.
- (b) **(Term)**: The term of the lease commenced 1 June 2017 and continues until 31 May 2020, with an option to extend for another 3 years commencing 1 June 2020.

The WA Lease otherwise contains terms and conditions considered standard for an agreement of this nature.

## 9.7 Commercial Tenancy Agreement – Queensland

On 6 August 2015, GO2 Recruitment Pty Ltd entered into a commercial tenancy lease agreement with Jemcorp Pty Ltd (**Lessor**) for a property at Suite 2, 3245 Logan Road, Underwood in Queensland (**Queensland Lease**). The material terms of the Queensland Lease are as follows:

- (a) **(Rent)**: GO2 Recruitment Pty Ltd has agreed to pay \$62,700 (plus GST) per annum to the Lessor, with annual reviews on 24 August, whereby rent will increase by 4%;
- (b) **(Term)**: The term of the lease commenced on 24 August 2015 and continues until 23 August 2017, with an option for a further term of 11 months.

The Queensland Lease otherwise contains terms and conditions considered standard for an agreement of this nature.

## 9.8 Mandate – 189 Corporate Pty Ltd

On 20 February 2017, the Company entered into an agreement with 189 Corporate Pty Limited (ACN 613 476 145) (**189 Corporate**) pursuant to which 189 Corporate has agreed to act as advisor to the Company in relation to its application to list on the ASX (**189 Mandate**). The material terms of the 189 Mandate are as follows:

- (a) (**Term**): The 189 Mandate commenced 20 February 2017, and will continue until that date which is 12 months from the date of completion of the initial public offer.
- (b) (**Seed Raising**): For services provided in relation to the pre-IPO capital raising (**Seed Raising**), the Company will pay to 189 Corporate:
  - (i) an amount of \$2,500 plus GST per month for the period 1 December 2016 to 28 February 2017 (total of \$7,500), payable following receipt of funds from the Seed Raising;
  - (ii) a monthly retainer of \$10,000 plus GST from 1 March 2017 until 30 June 2017; and
  - (iii) a further monthly payment for a period of 12 months from the date of that the Company's Shares become listed on the ASX, for general advisory services. This payment will be calculated based on payments made to members of the Advisory Board.
  - (iv) The Company reimburse 189 Corporate for all reasonable expenses incurred in the provision of services under the 189 Mandate, subject to prior board approval.
- (c) (**Options Participation**): Subject to the Company becoming listed on the ASX, the Company has agreed to issue to the shareholders of 189 Corporate:
  - (i) 2,500,000 Options – exercisable at \$0.225 each, on or before the date that is 4 years from the date of issue (which were issued prior to lodgement of this Prospectus); and
  - (ii) 2,500,000 Options – exercisable at \$0.30 each on or before the date that is 4 years from the date of issue (which were issued prior to lodgement of this Prospectus).
- (d) (**GO2 Building Merger**): Subject to the Company becoming listed on the ASX, the Company has agreed to issue to the shareholders of 189 Corporate a minimum of 3,000,000 Shares via the acquisition by the Company of GO2 Building. The Company will satisfy this obligation by the issue of Shares to the GO2 Building Vendors under the GO2 Building Acquisition Agreement. Refer to Section 9.2 for a summary of the GO2 Building Acquisition Agreement.

The 189 Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

## 9.9 Altura Works Agreement

On 1 August 2017, Terra Firma entered into a works agreement with Altura Lithium Operations Pty Ltd (ABN 65 095 384 991) (**Altura**)(**Works Agreement**) for the construction of a mine operations centre on the Pilgangoora Lithium Project (**Project**). The material terms of the Works Agreement are as set out below.

- (a) (**Term**): Terra Firma commenced preparation for works on the Project in mid-June 2017, and expects to commence work on site on 1 August 2017 (and it is agreed that any works carried out prior to execution of the Works Agreement form part of the Works Agreement), and will complete works on the Project by 24 October 2017.
- (b) (**Project**): Terra Firma will construct the Project in accordance with a pre-agreed project proposal.
- (c) (**Contract Sum**): Altura will pay to Terra Firma a contract sum of approximately \$970,0000, to be paid in monthly instalments, based on progress and the value of the work done for the relevant month.



(d) **(Termination)**:

- (i) **(Default)**: If either party defaults under the Works Agreement, the other party may give notice requiring the defaulting party to rectify the breach or show reasonable cause within a period of not less than five business days, failing which, the notifying party may terminate the Works Agreement by written notice.
- (ii) **(Insolvency)**: Either party may terminate the agreement in the event of an insolvency event.
- (iii) **(By Altura)**: Altura may terminate the agreement:
  - (A) immediately if, acting reasonably, it believes that Terra Firma has committed a material safety breach; or
  - (B) upon seven business days written notice, without cause or reason.

The Works Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

## 9.10 Resi Memorandum of Understanding

On 11 July 2017, GO2 Building entered into a memorandum of understanding with Resi Property Holdings Pty Ltd (ACN 618 039 633) as trustee for the Resi Property Trust (**Resi**), pursuant to which the parties have agreed to work together to acquire land and build residential houses (**Resi Memorandum of Understanding**). The key terms of the Resi Memorandum of Understanding are as follows:

- (a) **(Land and Building)**: Resi has agreed to seek and present opportunities for land acquisitions to GO2 Building, on which GO2 Building will have the exclusive opportunity to manage and arrange the building of all homes.
- (b) **(Funding)**: Where agreed between the parties:
  - (i) the acquisition by Resi of the land referred to in (a) will be funded by equity provided by Resi, and/or bank funding provided to (and to be repaid by) Resi (Bank Funding); and
  - (ii) GO2 Building will provide, or will procure that the Company provide a corporate guarantee for that Bank Funding.
- (c) **(Building Contracts)**: Resi and GO2 Building have agreed to enter into formal building contracts for construction on land acquired under (b), pursuant to which GO2 Building will receive a minimum builder's margin of 10% in the building price paid by Resi.
- (d) **(Current Project)**: Resi has entered into an agreement with Cedar Woods Properties Limited for the acquisition of certain land in Baldivis, Western Australia (**Cedar Woods Land**). The parties have agreed that building on the Cedar Woods Land will constitute the 'First Project' under the Resi Memorandum of Understanding. GO2 Building has agreed to contribute up to a maximum of \$500,000 in building and development costs towards the First Project. This cost will be repaid upon receipt of payment under the building contract for the Cedar Woods Land (which has yet to be executed).

The Resi Memorandum of Understanding otherwise contains terms and conditions considered standard for an agreement of this nature.

## 9.11 Executive Services Agreement – Billy Ferreira

The Company has entered into an executive services agreement and letter of appointment with Billy Ferreira, pursuant to which he has been appointed as the Managing Director of the Company (**Executive Services Agreements**). The material terms of the Executive Services Agreements are as follows:

- (a) (**Term**): The engagement commenced on 1 June 2016 and continues until validly terminated;
- (b) (**Remuneration**): The remuneration payable is \$300,000 per annum (inclusive of \$25,000 in director fees), payable in arrears, in equal weekly installments;
- (c) (**Performance Based Bonus**): In addition to his salary and director fees, the Company may pay a performance based bonus, based on key performance indicators set by the Company from time to time.
- (d) (**Expenses**): The Company will reimburse Mr Ferreira for all reasonable expenses incurred in the performance of his duties in connection with the Company.

The Executive Services Agreements otherwise contain restraint of trade, termination and general clauses considered standard for agreements of this nature.

## 9.12 Non-Executive Director Letters of Appointment

On 7 July 2017 and 12 July 2017, the Company entered into agreements with Doug Grewar and Darren Cooper, respectively, pursuant to which:

- (a) Doug Grewar has been appointed as a non-executive Director; and
- (b) Darren Cooper has been appointed as non-executive Director and Chairman of the Board, with the terms effective from 1 August 2017.

Under these agreements, the Company will pay Mr Grewar \$55,000 per annum and will pay Mr Cooper \$75,000 per annum (each excluding superannuation).

Each of the non-executive Directors will be reimbursed for reasonable expenses incurred in performing their duties, as agreed by the Board.

Mr Grewar has agreed that up to \$15,000 of his annual remuneration will be invested in the Company during his first year of appointment (subject to Shareholder approval, if required). It is intended that this obligation will be satisfied by Mr Grewar's participation in the Offer, as noted in Section 8.2.

Mr Cooper has agreed that up to \$20,000 of his annual remuneration will be invested in the Company, on an annual basis, for the entire period of his appointment as a Director (subject to Shareholder approval, if required). It is intended that, in the first year of Mr Cooper's appointment, this obligation will be satisfied by his proposed participation in the Offer, as noted in Section 8.2. It is thereafter intended that this obligation will be satisfied by the purchase of Shares on-market.

The agreements with Mr Grewar and Mr Cooper otherwise contains terms and conditions considered standard for agreements of this nature.



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# ADDITIONAL INFORMATION

## 10.1 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against our Company.

## 10.2 Rights Attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

**(d) Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

**(e) Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

**(f) Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

**(g) Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

**(h) Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 10.3 Performance Rights Plan

The following is a summary of the key terms and conditions of the Company's Performance Rights Plan:

**(a) Eligibility:** Participants in the Performance Rights Plan may be:

- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced or as otherwise permitted by the Board in its sole discretion (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

**(b) Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.

**(c) Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

**(d) Issue price:** Performance Rights issued under the Performance Rights Plan will be issued for nil cash consideration.

**(e) Vesting conditions:** A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right

**(f) Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights; or
- (ii) a Change of Control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

**(g) Lapse of a Performance Right:** A Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in the Performance Right;
- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of unvested Performance Rights only, a relevant person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of vested Performance Rights only, a relevant person ceases to be an Eligible Participant and the Performance Right granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Performance Right;
- (vii) the expiry date of the Performance Right.

**(h) Not transferrable:** Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

**(i) Shares:** Shares resulting from the exercise of the Performance Rights shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.

**(j) Quotation of Shares:** If Shares of the same class as those issued upon exercise of Performance Rights issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on the ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

**(k) Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights up to a maximum of seven (7) years from the grant date of the Performance Rights. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

**(l) No participation rights:** There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**(m) Change in number of underlying securities:** Unless specified in the offer of the Performance Rights and subject to compliance with the ASX Listing Rules, a Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

**(n) Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.



**(o) Amendments:** Subject to express restrictions set out in the Performance Rights Plan and complying with the Corporations Act, the ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right granted under the Performance Rights Plan including giving any amendment retrospective effect.

**(p) Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Performance Rights, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Performance Rights Plan to effect the establishment of such a trust and the appointment of such a trustee.

**(q) Definitions:** Capitalised terms used in the above summary are as defined in the Performance Rights Plan, including:

**(i) Associated Body Corporate** means:

- (A) a related body corporate (as defined in the Corporations Act) of the Company;
- (B) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (C) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**(i) Change of Control** means:

- (A) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
- (B) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (C) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

**(ii) Relevant Person** means:

- (A) in respect of an Eligible Participant, that person; and
- (B) in respect of a nominee of an Eligible Participant, that Eligible Participant.

**(iii) Special Circumstances** means:

- (A) a Relevant Person ceasing to be an Eligible Participant due to:
  - (I) death or Total or Permanent Disability of a Relevant Person; or
  - (II) Retirement or Redundancy of a Relevant Person;
- (B) a Relevant Person suffering Severe Financial Hardship;
- (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

As at the date of this Prospectus, no securities have been issued, or are proposed to be issued under the Company's Performance Rights Plan.

## 10.4 Terms and Conditions of Incentive Share Plan

The key terms of the Company's Incentive Share Plan are as follows:

**(a) Eligibility:** Participants in the Plan may be:

- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,

who is declared by the Board to be eligible to receive Shares under the Plan (**Participants**).

**(b) Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Scheme.

**(c) Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an Offer) to apply for up to a specified number of Shares, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**). The Offer:

- (i) set out the maximum number of Shares that the Participant may apply for, or the formula for determining the number of Shares that may be applied for;
- (ii) will specify the issue price of the Shares, or the formula for determining the issue price;
- (iii) whether the Company is prepared to grant the Participant a loan in accordance with the Plan, and the maximum loan amount;
- (iv) any applicable vesting conditions;
- (v) the date by which an Offer must be accepted (**Closing Date**); and
- (vi) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Shares.

**(d) Issue price:** The Issue Price of the Shares offered under an Offer shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.

**(e) Vesting Conditions:** A Share may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the Offer for the Shares.

**(f) Restriction Periods:** A Share issued under the Plan may be subject to a restriction period as determined by the Board in accordance with the Plan.

**(g) Lapse of Offer:** To the extent an Offer is not accepted in accordance with the rules of the Plan, the Offer will lapse on the date following the closing date of the Offer, unless the Board determines otherwise.

**(h) Power of attorney:** For the purpose of any buy back of Shares, the Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back of the Participant's Shares including executing all documents and seeking or providing all necessary approvals and the Participant acknowledges and agrees that the power of attorney is given for valuable consideration (in the form of the Shares).

**(i) Limits on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.



- (j) **Restriction on transfer:** Subject to any restriction periods placed on dealings in Shares, there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (k) **Quotation on the ASX:** If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on the ASX within the later of 10 Business Days after:
- (i) the date the Shares are issued; and
  - (ii) the date any restriction period that applies to the Shares ends.
- (l) **Rights attaching to Shares:** A Participant will, from and including the issue date, be the legal owner of the Shares issued under the Plan and will be entitled to dividends and to exercise voting rights attached to the Shares.

As at the date of this Prospectus, no securities have been issued, or are proposed to be issued under the Company's Incentive Share Plan.

## 10.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
  - (b) any property acquired or proposed to be acquired by the Company in connection with:
    - (i) its formation or promotion; or
    - (ii) the Offer; or
  - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
  - (e) for services provided in connection with:
    - (i) the formation or promotion of the Company; or
    - (ii) the Offer.

## 10.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (e) the formation or promotion of the Company;
- (f) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (g) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (h) the formation or promotion of the Company; or
- (i) the Offer.

William Buck has acted as Investigating Accountant, and has prepared the Investigating Accountant's Report which is included in Section 7 of this Prospectus. The Company estimates it will pay William Buck a total of \$25,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Buck have not received fees from the Company for any other services.

William Buck Audit have acted as auditors to the Company and have prepared the audited and reviewed financial information included in Section 7 of this Prospectus. The Company estimates it will pay William Buck Audit a total of \$57,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Buck Audit have not received fees from the Company for any other services.

JB Advisory has acted as the Lead Manager to the Company in relation to the Offer. The Company estimates it will pay JB Advisory between \$600,000 and \$760,000 (excluding GST) for these services, depending on the amount raised under the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, JB Advisory has not received fees from the Company for any other services.

189 Corporate has acted as the corporate advisor to the Company in relation to the Offer. The Company estimates it will pay 189 Corporate \$47,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, 189 Corporate has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$120,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

## 10.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

William Buck has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report dated 31 July 2017 in Section 7 of this Prospectus in the form and context in which the information and report is included. William Buck has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

William Buck Audit has given its written consent to being named as auditor to the Company in this Prospectus, and to the inclusion of the audited and reviewed financial information contained in Section 7 of this Prospectus, in the form and context in which it is included. William Buck Audit has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

JB Advisory has given its written consent to being named as the Lead Manager to the Company in this Prospectus. JB Advisory has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 10.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$1,000,000 for Minimum Subscription or \$1,200,000 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

ITEM OF EXPENDITURE	MINIMUM SUBSCRIPTION (\$)	FULL SUBSCRIPTION (\$)
ASIC fees	2,400	2,400
ASX fees	83,567	85,567
Accounting, Audit and Taxation	80,000	80,000
Broker Commissions	600,000	720,000
Investigating Accountant's Fees	25,000	25,000
Legal Fees	120,000	120,000
Printing and Distribution	30,000	40,000
Miscellaneous	59,033	127,033
<b>TOTAL</b>	<b>1,000,000</b>	<b>1,200,000</b>

## 10.9 Continuous Disclosure Obligations

Following admission of the Company to the Official List, the Company will be a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information will be publicly released through the ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## 10.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.theGO2people.com.au](http://www.theGO2people.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 10.11 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## 10.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 10.13 Privacy Statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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# DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Billy Ferreira  
Managing Director  
**For and on behalf of**  
**The GO2 People Ltd**



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# GLOSSARY

## Where the following terms are used in this Prospectus they have the following meanings:

<b>\$</b>	means an Australian dollar.
<b>Acquisitions</b>	means the proposed acquisitions of GO2 Building and Terra Firma, pursuant to the Terra Firma Agreement and the GO2 Building Agreement.
<b>Acquisition Agreements</b>	means the Terra Firma Agreement and the GO2 Building Agreement.
<b>Application Form</b>	means the application form attached to or accompanying this Prospectus relating to the Offer.
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Board</b>	means the board of Directors as constituted from time to time.
<b>Class A Option</b>	means an Option exercisable at \$0.225 on or before 21 June 2021.
<b>Class B Option</b>	means an Option exercisable at \$0.30 on or before 21 June 2021.
<b>Class C Option</b>	means an Option exercisable at \$0.40 on or before 21 June 2021.
<b>Closing Date</b>	means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
<b>Combined Group</b>	means GO2 Recruitment and Terra Firma.
<b>Company</b>	means The GO2 People Ltd (ACN 616 199 896).
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Directors</b>	means the directors of the Company at the date of this Prospectus.
<b>EBIT</b>	means earnings before interest and tax.
<b>Exposure Period</b>	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.
<b>GO2 Australia</b>	means The GO2 People Australia Pty Ltd (ACN 616 564 115).

<b>GO2 Building</b>	means GO2 Building Pty Ltd (ACN 613 284 843).
<b>GO2 Building Agreement</b>	means the agreement summarised in Section 9.2
<b>GO2 Building Vendors</b>	means the shareholders of 100% of the issued capital in GO2 Building.
<b>GO2 Group</b>	means the Company, GO2 Australia, GO2 Recruitment, GO2 Building and Terra Firma.
<b>GO2 Recruitment</b>	means GO2 Recruitment Pty Ltd as trustee for the GO2 Recruitment Trust.
<b>GO2 Recruitment Pty Ltd</b>	means GO2 Recruitment Pty Ltd (ACN 152 130 473).
<b>Investigating Accountant</b>	means William Buck.
<b>Maximum Subscription</b>	means the subscription for 60,000,000 Shares at an issue price of \$0.20 under the Offer.
<b>Offer</b>	means the offer of Shares pursuant to this Prospectus as set out in Section 2.1 of this Prospectus.
<b>Official List</b>	means the official list of the ASX.
<b>Official Quotation</b>	means official quotation by the ASX in accordance with the ASX Listing Rules.
<b>Option</b>	means an option to acquire a Share.
<b>Prospectus</b>	means this prospectus.
<b>Scottish Pacific</b>	means Scottish Pacific (BFS) Pty Ltd (ACN 101 657 041) (previously Bibby Financial Services Australia Pty Ltd).
<b>Section</b>	means a section of this Prospectus.
<b>Seed Raising</b>	means the capital raising undertaken by the Company in July 2017, at an issue price of \$0.15 per Share, to raise \$500,000.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>Terra Firma</b>	means Terra Firma Constructions Pty Ltd (ACN 605 319 426).
<b>Terra Firma Agreement</b>	means the agreement summarised in Section 9.3.
<b>Terra Firma Vendor</b>	means Christopher Streat, the holder of 100% of the issued capital in Terra Firma.
<b>William Buck</b>	means William Buck (Vic) Pty Ltd.
<b>William Buck Audit</b>	means William Buck Audit (Vic) Pty Ltd.
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.



